External Affairs Canada
Affaires extérieures Canada

Market Studies of United States

The Market Potential for Canadian Manufactured Packaging Materials, Materials Converting and Materials Technology in California

The Market Potential for Canadian Manufactured Packaging Materials, Materials Converting and Materials Technology in California

PREPARED FOR THE
DEPARTMENT OF
EXTERNAL AFFAIRS
OTTAWA, ONTARIO

Peter Louch & Associates

1982

TABLE OF CONTENTS

PAGE

1. INTRODUCTION 1
1.1 Objectives 3
1.2 Materials & Technology Covered by Study 4
1.3 Material Presented in Report & Format 5
1.4 Information Gathering 7

2. THE UNITED STATES AS A MARKET FOR PACKAGING MATERIALS 9
2.1 The Packaging Materials Industry 9
2.2 National Trends 18

3. CALIFORNIA AS A MARKET FOR PACKAGING MATERIALS AND MATERIALS TECHNOLOGY 21
3.1 The California Economy 21
3.2 Industrial Production in California (Value Added Manufacturing) 25
3.3 Industrial production & Marketing Centers in California 30
3.4 Agriculture in California 41

4. MANUFACTURER END-USER INTERVIEWS 43
4.1 Summary of End-User Interviews 84

5. RETAIL PACKAGING OVERVIEW 89

6. DISTRIBUTION CHANNELS & METHODS 94
6.1 Non-converted Materials 94
6.2 Converted Materials 97
6.3 Brokers 99
6.4 Interviews with Distributors 100

TABLE OF CONTENTS

PAGE

7. MATERIALS AND PACKAGING 108

8. PRINTING POSSIBILITIES (ROTOGRAVURE AND FLEXOGRAPHIC 115

9. DEGREE OF MARKET PENETRATION BY CANADIAN MATERIALS SUPPLIERS 117

10. PRICING PRODUCTS FOR CALIFORNIA AND THE WEST COAST 128

11. PROMOTIONAL METHODS 130

11.1 Trade Shows 130

11.2 Trade Publications 133

11.3 Trade Associations 135

11.4 Seminars & Other Promotional Methods 137

11.5 Descriptive Literature 138

12. DOCUMENTATION & GENERAL EXPORT INFORMATION 139

13. LEGAL & ENVIRONMENTAL CONSIDERATIONS 144

14. TRANSPORT & SHIPPING 146

14.1 Freight Methods 146

15. MARKET STRATEGIES 149

16. SUMMARY & CONCLUSIONS 156

TABLE OF CONTENTS

PAGE

APPENDICES

Appendix "A" List of Canadian Manufacturers and Material Types in Study 159

Appendix "B" Selected Major Manufacturing Industries in California - Indication of Total Plants - 1977 161

Appendix "C" Canadian Exports of Paper, Metal, and Plastics 165

Appendix "D" Customs Brokers 166

Appendix "E" Indicative Tariff Schedule Pages 169

Appendix "F" Transport Companies 183

Appendix "G" Trade Shows, Publications, and Trade Associations, Data 186

Appendix "H" Foreign Trade Zones 191

AUTHOR'S NOTE: The use of the term "Packaging Materials" in this report.

Readers will note that the term "packaging materials" has been widely used throughout the report. The term is intended to cover all forms of packaging outlined in Section 1.2, including all types of converted paperboard, plastic, paper, and foil packages, and including basic materials such as, film in roll form.

Introduction

1.0 INTRODUCTION

This report has been prepared for the Department of External Affairs, Ottawa, Canada, in association with the Department of Industry, Trade and Commerce/Regional Economic Expansion.

The Departments are aware that Canada exports approximately 12 percent of its total production of packaging materials. 49 percent of this total is exported to the U.S. which is Canada's largest export customer for packaging materials. In 1981, Canadian exports to the U.S. totalled approximately $120 million. Canada's world exports of packaging materials have increased at an average rate of 17 percent over the last five years. Overall gains in 1981 were marginal only but Canada's exports to the U.S. increased by 29 percent during that year.

The Departments believe that shipments in selected materials categories to the U.S. could be increased further with resultant benefit to Canada and to individual manufacturers. Although total figures for Canadian exports to the U.S. are available for all packaging materials, very little is known of the individual opportunity U.S. regional markets offer for expanding sales in the categories selected for this study.

The Departments believed that Canadian producers would benefit from a study designed to assess the market potential in a defined but major regional market in the U.S. California was the market area chosen for this study. Very little is known about the State as a regional market for packaging but recent studies have uncovered significant potential markets for Canadian products, including packaging machinery, in a number of industry sectors in California.

The Departments commissioned this study to discover whether California is a viable market for Canadian packaging material producers in selected categories. From previous studies it is known that California is responsible for producing a conservative 10 percent of all manufactured goods produced in the U.S. Therefore, California could represent a substantial market for Canadian packaging materials.

In Canada, as in the U.S., most major cities contain companies involved in one branch of packaging production, or another. In the case of this study, thirteen Canadian companies responded to the Departments' request for information. It is understood, however, that there are more than forty companies in Canada operating in the industry sector which could benefit from this study. Canadian packaging materials manufacturers have traditionally concentrated their export activities in the Eastern U.S.

This study is concerned primarily with converted packaging and all thirteen responding Canadian companies manufactured products from this category. The materials covered by this study are defined in a following section but, broadly speaking, laminated paper and film packaging, sophisticated carton manufacturing, and printing are the main subjects of this study.

The Departments' brief for the study requested a wide range of information which would enable Canadian companies to build up an accurate picture of the potentials and problems presented by the packaging material market in California. The Department also requested an evaluation of future trends for materials usage in the State together with all revelent information designed to assist Canadian manufacturers to determine whether they should concentrate a portion of their export activities in California and Western U.S. markets. Because California occupies a key position in the economy of the Western U.S. region, it is anticipated that knowledge of the market could assist Canadian manufacturers in their overall formulation of marketing policy for the U.S.

1.1 OBJECTIVES

The objectives of this study are as follows:-

- To evaluate the market potential in California for Canadian manufactured packaging with specific emphasis on industries which use innovative packaging design.
- To report briefly on the potential for any other Canadian manufactured packaging materials discovered during the course of the study, but not specifically covered by the Departments' brief.
- To evaluate current and future trends in packaging used by California manufacturing industries in order to assist Canadian

producers to formulate effective long term marketing policies for the region.

- To provide Canadian manufacturers with the widest possible background material on the overall state of packaging end-user industries in California.
- To provide information on distribution costs and methods, tariffs, available transport methods and costs, federal or state regulations, and any other matters affecting cost and salability of Canadian packaging materials.
- To supply effective and workable market strategies which will enable Canadian packaging material producers to penetrate California markets with consideration for the levels of expenditure that companies of various sizes can afford to spend in marketing their products.

1.2 MATERIALS AND TECHNOLOGY COVERED BY THE STUDY

The Canadian manufacturers who responded to the Department's request to participate in the study advised that they were interested in examining the export potential for the following products:-
Linear low density polyethylene film; paper and foil lamination; high barrier unsupported foils; heat sealed coated papers; wraps for a wide variety of food products; sterilizable papers; retortable materials; metallized films; pressure sensitive labels; small multiwall bags; high quality cartons; webs for vacuum

packaging; and commercial printing on most products ranging from one to five colours, in a variety of run sizes.

Whilst the study concentrates primarily on the potential for flexible packaging materials and printed converted packaging, any meaningful information obtained during the course of the study on other products such as, glass, plastic or metal containers, corrugated, or molded pulp packaging is included if it was felt that the information would be of use to the industry in Canada. In addition, we have included an overview of retail packaging requirements in California.

A list of the thirteen Canadian companies which responded to the study and the products being offered is included in the Appendix. All thirteen companies operate plants in Eastern Canada but only three operate plants in addition in Western or Central Canada. Seven companies operate more than one plant and employ more than one hundred people; eight companies have already exported to the U.S., but only two have so far sold products in California. Among those companies which have already exported to the U.S., 5 percent was the highest percentage of turnover sold in the U.S. market; 3 percent was the average amount sold.

1.3 MATERIAL PRESENTED IN THE REPORT AND FORMAT OF REPORT

The first part of the report (sections 2 and 3) consists of:

- An overview of the current state of the U.S. packaging industry and its domestic markets for the materials selected for this study.

- An examination of California's industry and economic base to determine the State's potential for Canadian packaging materials. This was achieved through selected statistics and narrative. The information obtained made it possible to determine the number and location of manufacturing establishments in individual industries, the growth prospects they offer, and the most effective centers for Canadian marketing activities.

The second part of the report (sections 4 to 8) consists primarily of the fieldwork we performed and includes:

- Extensive interviews with selected potential customer industries conducted to determine current materials usage, industry attitudes to new supply sources, knowledge of Canadian potential, new material trends, and buying habits.

- An assessment of Canadian potentials based on the interviews.

- An overview of California's strengths and weaknesses in printing high quality flexible packaging materials.

- An overview of California retailer's consumer packaging requirements.

- An analysis of distribution methods used by materials suppliers in California.

- Notes on major materials manufactured in California and a listing of the major manufacturers.

The third part of the report (sections 9 to 14) covers market penetration by Canadian suppliers, pricing products for the California market, a comparison of available promotional methods, and documentation and some general export information. This portion of the report also examines freight methods and costs with indications of the various methods manufacturers can use to bring their products to the market.

The fourth part of the report (sections 15 to 17) contains the market strategies we developed during the study to assist Canadian manufacturers to penetrate the California market, together with a summary and conclusions.

The Appendix contains a directory of distributors and selling organizations, identified in the State, intended to assist manufacturers with selection. We also provide information on promotional organizations which can assist exporters, including trade show organizers, publishers and associations, as well as other data intended to assist Canadian manufacturers to a wider understanding of the potential and problems associated with the California market.

1.4 INFORMATION GATHERING

We have used the following methods:-

- Interpretation of data to determine the potential market size and the location and growth pattern of possible user industries.
- Detailed interviews with representative manufacturers selected from

each of the major industries which are potential Canadian materials customers.

- Interviews with individuals and companies engaged in distributing packaging materials in the State to determine current distribution methods, trade practices, and interest in Canadian products.

2.0 THE UNITED STATES AS A MARKET FOR PACKAGING MATERIALS

2.1 THE PACKAGING MATERIALS INDUSTRY

The packaging industry in the United States is one of the country's largest and most diversified industries. It is generally accepted that the packaging industry provides U.S. manufacturing industries with materials which total approximately 4 percent of the value of all finished goods manufactured in the country. It is estimated that the total dollar value of all packaging materials produced in the U.S. during 1982 will be in the vicinity of $52 billion. Real growth in the industry is between 3.5% to 4% and this rate is expected to remain fairly constant over the next five years.

Table 2.0 following shows the values of all materials produced in packaging categories during 1980 together with their SIC's (Standard Industrial Classifications). During 1980 the industry produced $45.8 billion of packaging materials. The percentage breakdown from this total into major packaging categories is as follows:-
Paper & paperboard packaging 42%; metal cans & other rigid metal packaging 20%; plastic containers 15%; glass containers 9%; flexible packaging 7%; plastic packaging & shipping 7%.

It should be noted that the U.S. Bureau of Industrial Economics, Package Engineering, and the C.H. Kline Directory, which are the major sources of industrial data on the packaging industry, all provide substantially different interpretations of overall totals. These sources agree that it is virtually impossible to regard any set of statistics concerning packaging materials as definitive. We, therefore, suggest that Canadian manufacturers should consider the statistics given in this study as indicators only. Segments of the U.S. packaging industry which have a bearing on the Canadian products being offered in this study are examined below.

Folding Paperboard Boxes - SIC 2651:

According to the U.S. Bureau of Economic Affairs, 1981 shipments in this industry totalled $3.5 billion during 1981. The folding paperboard box industry in the U.S. includes an estimated five hundred companies operating about seven hundred plants. The industry is highly integrated and 80 percent of annual shipments are produced by companies who manufacture their own folding boxboard. In the last decade there has been a reduction in the total number of plants operating in this sector whilst there has been an increase in production capacity reflecting increases in plant size.

Shipments to the food and beverage industries account for 53 percent of the industry's dollar volume. Dry goods and medicinal packaging are seen as expansion areas for this industry. 1981 was reported as a recovery year since 50 percent of the end use markets for folding paperboard products showed some real growth.

Main production centers for the industry are New York which produces 11.6% of the annual shipment volume followed by Ohio (10.7%), and

TABLE 2.0

VALUE OF U.S. PACKAGING MATERIALS PRODUCTION

(million dollars)

Containers or Material	SIC Number	1979	1980
Paper & paperboard containers(total)		$16,617	$18,481
Grocers, variety & misc.bags(a)	26431	865	890
Specialty bags-paper & laminations	26432/13,40	255	280
Glassine, waxed or parchment bags	26432/23,25	35	35
Paper shipping sacks	26433	925	831
Folding paper boxes, cartons	2651	2,390	2,620
Rigid paper boxes (set up)	2652	700	770
Molded pulp egg cartons	26462/12	165	175
Die-cut fillers for egg cases	26451/98	16	15
Sanitary food containers	26541/42,43	2,120	2,270
Fibre cans	26552/21,98	530	560
Fibre drums	26551/51	255	295
Solid fibre & corrugated shippers	2653	8,408	9,740
Flexible packaging materials(total)(b)		$2,410	$2,585
Paper - Heavy wrapping	26217/10 26218/10	135	134
Wrapping tissue	26218/78	55	60
Laminated wraps	26417	845	940
Film - Cellophane	-	195	200
Polyethylene, LD	-	810	860
Others	-	280	300
Metal foil, flexible	34971/32,37	90	90
Metal containers & components(total)		$11,136	$11,641
Metal cans(steel & aluminum)	3411	9,155	9,880
Collapsible metal tubes	34992	95	95
Rigid & semirigid foil containers	34971/33	176	185
Steel shipping barrels, drums,pails(c)	3412	1,146	886
Steel strapping	34893/57	435	460
Gas cylinders	34434	130	135
Aerosols(total)(d)	34110/87	$480	$520
Nonfood	-	445	480
Food	-	35	40
Glass containers(total)	3221	$4,216	$4,487
Closures(total)	-	$1,170	$1,300
Metal caps (inc.milk bottle closures)	34661	465	485
Metal crowns	34662	145	165
Milk bottle caps, paper	26451/81	-	-
Plastic commercial closures	30794/71	560	650
Rigid & semirigid plastic containers(total)	3079C	$2,060	$2,280
Plastic bottles	-	825	910
Boxes & baskets	-	235	250
Tubes	-	45	45
Jars & tubs	-	305	325
Plastic Sheet	-	283	320
Foamed plastics	-	167	205
Shipping containers	-	200	225
Wooden containers(total)		$558	$590
Nailed & lock cornered boxes	24411	300	320
Wirebound boxes, crates	24491	145	155
Cooperage(tight & slack)	24495	56	55
Veneer and plywood	24493	57	60
Textile containers(total)	2393,22992/61	$304	$320
Cushioning materials(total)		$482	$540
Creped wadding	26492/65	38	40
Excelsior	24290/81/89	22	25
Flock	22940/41	27	30
Plastics	-	395	445
Component materials(total)		$2,323	$2,485
Adhesives	28913	495	510
Labels(paper or foil)	275-,several	1,250	1,380
Tags,printed,unprinted	27516/75,27526/78 26495/82	68	70
Pressure-sensitive & gummed tape	26413/12,26414	355	360
Cotton,soft & hard-fibre twine	22981/32/39	80	85
Plastic strapping	-	75	80
Cargo or bulk containers(total)	-	$565	$630
TOTAL		$42,321	$45,859

a-Includes plastic merchandise bags

b-Excludes household wraps

c-Includes reconditioned containers

d-Includes value of container, cap & propellant

California (8.5%). Imports in this category are traditionally small, accounting for only $16 million during 1981. This figure represented less than half a percent of the annual total domestic production and consisted of mainly over the border trade with Canada and Mexico.

Flexible Packaging - SIC's 26417, 26432, 34972:

In 1981, shipments of flexible packaging were in the vicinity of $3.9 billion. This industry has experienced a steady growth rate over the last decade and is expected to continue growing. In 1979 there were approximately eight hundred plants in the U.S. producing a wide range of flexible packaging products. Materials used include plastic film, paper, and metal foils. The eight largest U.S. manufacturers in this field produce 34 percent of the annual volume and many large petrochemical, paper and packaging manufacturers have profit centers in the industry. Despite this, the industry generally consists of a large number of smaller businesses with annual sales ranging from $2 million to $4 million a year.

Multi-web structured packaging and co-extruded products are major growth areas for the industry over the next decade. The industry is constantly looking at new ways of combining low cost and performance materials to reduce cost and improve product efficiency. The percentages of materials currently used in the U.S. flexible packaging industry are as follows:- plastics 72%; paper 22%; cellophane 3%; aluminium 2%. Paper continues to lose ground to plastics.

Flexible packaging shipments have the following end uses:- food 53%; non-food 23%; other items 24%* Flexible packaging is supplied in formed bags and pouches or supplied in pre-printed roll stock for conversion into packages by end user industries. Smaller U.S. producers, including those in California, are constantly troubled by U.S. Government anti-pollution regulations. These regulations are aimed at reducing pollutants emitted during the laminating, printing or coating processes. The main production centers for flexible packaging in the U.S. are the Northeastern U.S., North Central U.S., and the Pacific region, including California.

It is difficult to determine the full extent of U.S. imports of flexible packaging because of the wide variety of dissimilar materials involved but 1981 imports were in the vicinity of $65 million. Canada supplied about 20 percent of this amount.

Sanitary Food Containers - SIC 2654:

Research showed that there are some Canadian manufacturers supplying products from this category to the U.S. and that there might be opportunities for further expansion in exports. 1981 U.S. industry shipments in the category were $2.9 billion. The industry registered a minimal 1% gain over 1980 which reversed a two year down trend. There are about two hundred plants producing sanitary food containers and related items such as, tableware and ovenable trays in the U.S. 25 percent of these companies are relatively small and employ less than twenty workers.

*According to a recent survey by the Flexible Packaging Association

The industry has experienced a steady decline in requirements for milk containers due to the increasing popularity of plastic containers. However, this decline has been offset, at least in part, by increases in paper cups, paper serving items, and other specialty products. Today, the industry is consuming about 60 percent of the raw materials it was using in 1971. U.S. exports of $95 million in 1981 far outweighed imports which totalled about $5 million. Major U.S. production centers in this category are located in Maryland (12% of total U.S. production); California (10.5%); and Illinois (9.7%).

Bags except Textile Bags - SIC 2643:

This category contains all plastic, paper, multiwall, specialty bags and liners, merchandise, and shipping bags. Total industry shipments for 1981 were $5.7 billion. 16 percent of this total consisted of paper grocery bags which continue to account for the largest production portion in this SIC. Plastics, however, continued to make major inroads in most other areas and now account for 44 percent of the total market for bags of all kinds.

The industry includes about six hundred establishments making bags and liners. 1981 imports to the U.S. were around $26 million (less than half a percent of the total U.S. production). Canada, Mexico, and Western Europe are the major export suppliers.

Canadian suppliers will be interested to note that low density polyethylene is expected to gain a major share of the U.S. bag market over the next few years; but Canadians should also note that they may face stiffened export competition from Japan. A major 130,000 metric ton LDPE plant is planned to be in operation in Japan by mid 1984.

Shrink bundling and stretch bundling, together with retortable pouches, are major market developments in this industry and are expected to account for an increasing share of both the food and non-food markets. Plastics are expected to have captured fifty percent of the bag market by the mid 1980's.

California is the third largest production center for bag production in the U.S. and accounts for 7.9% of total production. New York is the national leader (8.2%), followed by Illinois (8%). Georgia and Texas are also important production centers.

Set-up Paperboard Boxes - SIC 2652:

This industry has declined substantially over the last ten years. The main reason being loss of market share in the apparel, hosiery, and shoe industry to plastic and folding carton packaging. Between 1971 and 1981 the industry halved itself and production facilities were reduced to two hundred and fifty. Industry leaders feel that the set-up box industry has now bottomed out. Manufacturers have geared themselves to supply the growing market for higher quality goods aimed largely at the growing number of older consumers in the U.S. Additionally, U.S. set-up box makers are producing compatible material lines in their plants. 1981 shipments in this industry were $0.52 billion. Major production centers in the U.S. are located in the Eastern U.S. New York produces 19.2% of the annual total shipments and Massachussetts 13.7%. We believe that sophisticated set-up boxes or high grade folding equivalents could be of interest to Canadian producers.

Coated & Glazed Products - SIC 2641

Production under this category during 1981 totalled $5.1 billion. The category includes pressure sensitive labels which accounted for almost 40 percent of the 1981 total. All coated, impregnated and glazed paper packaging materials are included in this section but not waxed papers. Fifty percent of all manufacturers in SIC 2641 employ less than twenty workers. This makes the average size of production facilities substantially smaller than in other branches of the packaging industry.

The U.S. imports and exports substantial amounts of coated products; in 1981, imports totalled around $156 million whilst exports were $247 million. Taiwan, Japan, and Italy were the leading exporters to the U.S.

Plastics - SIC 3079:

1981 shipments under SIC 3079 totalled approximately $37 billion. The section is a catch-all, designed to cover miscellaneous plastic products. It contains seven basic categories but only two of these, plastic film and sheeting, and packaging are related to this study. The total packaging component of SIC 3079 is approximately 27 percent and this totalled $9.9 billion in 1981. As of 1982, SIC 3079 will be superseded by a new set of SIC items which will define plastics in packaging more succinctly.

The new items containing packaging will be numbered as follows:-
SIC 3071: plastic film and sheet; SIC 3073: plastic bottles;
SIC 3074: plastic foam products; SIC 3076: molded plastic products NEC;
SIC 3078: miscellaneous plastic products.

Packaging Material Production in California:

1981 totals are not available for materials produced in California under the SIC categories described above. However, we estimate California's requirements for packaging materials could exceed $7 billion for all categories. The State produces approximately $3.5 to $4.0 billion of the total annual U.S. production in the SIC categories outlined on preceeding pages. In the case of corrugated boxes, California is the national leader and produces 12.2 percent. California produces 8.5 percent of all folding paperboard boxes; 10.5 percent of all sanitary food containers; and 7.9 percent of all paper and plastic bags. Other categories such as, converted flexible packaging, are not as clearly defined and it was not possible to provide California's percentage of the national total. California's packaging material production and the State's leading material producers are discussed in section 7.0. California's import requirements are discussed in section 9.

2.2 NATIONAL TRENDS

Although the packaging industry is a mature industry and seems to preclude dynamic change, occasionally major product shifts do occur. These shifts usually occur at the expense of other material types. The most significant change in the last decade has been the move to flexible packaging which continues to replace many of the more traditional packaging methods. Examples of current swings to major new packaging materials in the flexible field are retortable pouch packaging and aseptic packaging.

Retortable Pouch Packaging:

Retortable pouches, made of plastic foil laminates, continue to show promise as a major new area for materials suppliers; although to date progress has been slower than might have been anticipated by the industry. A number of major U.S. food manufacturers, including Dart-Kraft, Hormel, and Magic Pantry, continue to devote product development and marketing effort to retort packed entrees. The major problem remaining to be overcome with the process is the lack of high speed filling equipment. Additionally, manufacturers feel that it will take some time for the process to become widely accepted. The process was given a major boost in 1980 when the U.S. Military ordered eight million pouches to replace conventional cans in combat meals. Our research shows that there are prospects for Canadian retortable pouch technology with leading California food manufacturers. In the case of retortable pouches the major product shift is away from canned products to the pouch.

Aseptic Packaging:

This process is another form of flexible packaging now emerging to compete with more traditional forms of packaging such as, paperboard, glass, and cans. The process is suitable for a number of food applications and has been used successfully in Canada for packaging fresh ground coffee for some time.. In the U.S., most major food processors expect to become involved with the process within a relatively short period of time. Prominent U.S. manufacturers have already begun to invest in the process. Real Fresh, a West Coast milk exporter, was the first U.S. company to utilize modern aseptic packaging. Real Fresh purchase all their materials from Brik Pak, in the Netherlands. Ocean Spray is now marketing a full range of fruit juices in Brik Paks. Borden and the Southeastern Dairy Cooperative are also involved with the process.

The market for aseptic packaging offers major potential to both materials and machinery suppliers. The most significant feature of current aseptic packaging, particularly with the Brik Pak process, is that the supply of aseptic packaging materials has been primarily developed by the originators of the process. Consequently, these suppliers currently have very little competition in the materials field. This is a market that both Canadian materials and machinery suppliers should investigate seriously.

Tamper Evident Seals:

Occasionally, a demand for new packaging product types can be created almost overnight. This was definitely the case with tamper evident sealing systems which came into focus immediately after the Tylenol murders in Chicago earlier this year. Both materials manufacturers and machinery manufacturers reported urgent interest in the subject following the murders. Trade in tamper proof seals and systems was brisk at the recent P.M.M.I. show in Chicago. In terms of flexible packaging, one of the most sought after tamper proof systems consists of de-laminating papers or films which cannot be reattached once the seal is broken.

Anticipated real growth in the packaging materials sector:

The packaging industry is projected to show an average annual real growth rate of approximately 3.5 percent over the next few years. There will be additional adjustments for inflation which will vary on a yearly basis. Analysts agree that the industry will maintain its relative position in the economy. Since packaging is used by virtually all manufacturing industries, it tends to keep pace with overall growth in the manufacturing sector. Analysts also agree that packaging tends to grow at about 1 percent a year less than GNP.

Areas of continued expansion within the industry will be flexible packaging in most forms, and plastic containers. Most branches of the materials industry will continue to invest in research and development in order to maintain or increase their respective market shares. Canadian companies should be aware of their need to be competitive in technology in order to secure a firm foothold in the U.S market.

3.0 CALIFORNIA AS A MARKET FOR PACKAGING MATERIALS & MATERIALS TECHNOLOGY

As previously discussed, California's annual requirement for all types of packaging materials is estimated to be approximately $7 billion. California is a major production center for certain packaging materials, as discussed in section 2, but depends heavily on imports in some categories, as discussed in sections 7 and 9. The following portion of the report has been provided to assist potential Canadian exporters achieve an understanding of California's economic base and the extent and location of the State's major manufacturing industries, which will help determine how effective California could be as a customer for Canadian packaging materials selected for this study.

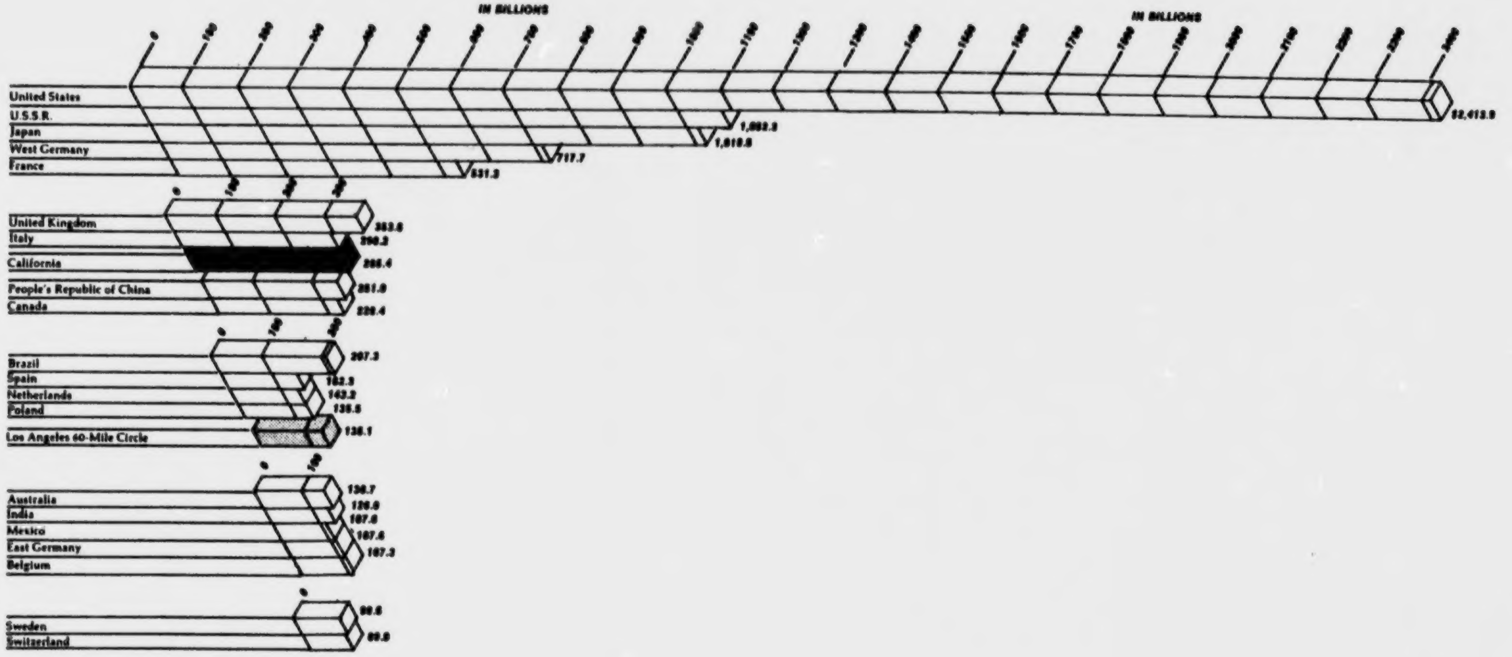
3.1 THE CALIFORNIA ECONOMY

The economic recession, which has drastically affected the industrial nations in the western world in recent years, has fortunately not affected California to the same degree. The State's inflationary growth in the 1970's gave way to recession in early 1980, although the severity of the downturn was of short duration at the State level. California's diverse economy base, which includes a myriad of modern industry and agriculture, is generally more stable and resilient than other states. The long-term economic outlook in California depends on success in reducing inflation which is still a major source of uncertainty. However, economists point out that the economic issues facing California have become much more widely recognized and business, government, and individuals have begun to formulate plans and programs aimed at resolving those issues.

California's major growth took place in the late 1950's and 1960's when the State experienced a remarkable population explosion and

INTERNATIONAL COMPARISONS

Gross Regional Product of California and the Los Angeles "Sixty-Mile Circle" compared with the Gross National Products of the world's leading nations.
(Preliminary 1979 totals converted to U.S. Dollar equivalents).



Note: The above figures, taken from the *World Bank Atlas*, should be regarded only as approximations due to (1) the uncertainties involved in converting the GNP estimates of many countries into U.S. dollar equivalents, (2) the difficulty of making satisfactory GNP estimates for some countries even in their own monetary units, and (3) the preliminary nature of the 1979 estimates.

Source: Security Pacific Bank.

when numerous industries were established. Many of these industries have rapidly grown to national leadership status. Today, virtually every manufacturing industry is represented in the State and everything is produced from steel to aeroplanes and electronics; from furniture to canned fruits and vegetables. California offers a wide variety of goods to consumers and services a wide variety of local, national, and international markets. The State is also the leading producer of agricultural crops in the United States and ranks amongst the nation's top fish producing states. There is now a growing trend for companies that have traditionally based themselves in the East and Midwest to relocate their manufacturing plants and headquarters in the West and in the "sunbelt" regions.

California is an industrial giant. If the State were a separate nation, its gross regional product would rank eighth among the world's top ten industrial economies. In terms of national scale, about one-tenth of the United States' population and employment is to be found in California. It is the focal state in the Western United States, containing 60 percent of the population of the seven western states*. California offers approximately 60 percent of all the employment in the western region. The State showed a 28.4 percent increase in employment in manufacturing between 1970 and 1980, compared to a 5.1 percent increase for the United States as a whole, and compared with Chicago (-12.4%) or Greater New York (-19.1%) over the same period.

*The seven western states include Arizona, California, Idaho, Nevada, Oregon, Utah, and Washington

Population increases in California are no longer the major contributing factor to the State's economy. Nevertheless, the population continues to grow strongly. 1980 Census figures revealed the State had a population of 23,939,000, whilst preliminary figures indicate that California leads the nation in population growth for 1981. The State accounted for half a million new residents in that year, representing a 2.2% increase over the period. The State continues to attract immigrants from other parts of the U.S. and from other countries in search of the wide range of employment possibilities and the attractive California life-style.

As previously stated, California has experienced recent patterns of recession, albeit minor compared to the national level. The State's long-term economic outlook and the future for vigorous production and materials consumption depends on a balanced economic expansion. California's future growth will depend on the industries that form the basis for this expansion and on the industries that draw income from outside the region. These industries, which include aerospace, electronics, and agriculture, are expected to advance above average growth over the next few years.

For the purpose of this study, we do not intend to dwell in detail on the overall nature of the California economy but will proceed to examine the importance of the spread and diversity of industry and agriculture in the State, to assist Canadian manufacturers to identify the best potential markets for their products

3.2 INDUSTRIAL PRODUCTION IN CALIFORNIA (Value-Added Manufacturing)

The total value of shipments made by California's value-added manufacturing industries was $176 billion during 1980. California leads the Nation in the value of products shipped, the number of people employed in manufacturing, and in value-added by manufacturing. This is, in part, due to the high productivity of California's skilled labour force.

In 1980, the State accounted for 9.5 percent of the Nation's total shipments. In that year, California registered a 30 percent increase in shipments over 1976 figures compared with the Nation, which registered a 21 percent overall increase. As the first ranking manufacturing state in the Nation, California is approximately 27 percent ahead of Ohio, its nearest competitor. Michigan, Texas, Illinois, and New York follow Ohio in that order. This fact alone makes California an attractive target for export oriented Canadian materials producers.

It can be seen from Table 3.2 following that the State's most important industry groups in 1980, ranked by volume of sales, were food and kindred products, which accounted for 16 percent of the State's total. Transportation equipment ranked second at 12.9 percent and electric and electrical equipment followed at 10.6 percent. For the purpose of this study, and as shown in Table 3.2, we have included industries which produce shipments totaling $131.4 billion. (We have not included industrial groups which offer little potential to the packaging materials industry. These groups include the heavy metal industries and petroleum and coal products).

TABLE 3.2

SELECTED MAJOR MANUFACTURING INDUSTRIES IN THE STATE OF CALIFORNIA TOTALS FOR 1980 AND 1978 WITH PERCENTAGE INCREASE

SIC	Description	Total Value 1980 Shipments ($ millions)	% of Ca. Totals	Total Value 1978 Shipments ($ millions)	% Increase 1978-80
20	Food & kindred products	28,234.2	16.0%	22,982.7	23.0%
22	Textile mill products	1,174.7	.6%	999.2	17.0%
23	Apparel & other textile products	4,658.9	2.6%	3,967.1	14.0%
25	Furniture & fixtures	2,874.7	1.6%	2,466.8	16.0%
26	Paper & allied products	4,524.4	2.5%	3,496.2	14.0%
27	Printing and Publishing	6,274.6	3.5%	5,187.1	21.0%
28	Chemicals & allied Products	8,539.0	4.8%	6,803.3	25.0%
30	Rubber & miscellaneous plastic products	4,487.7	2.5%	3,674.3	22.0%
32	Stone, clay & glass products	5,005.5	2.8%	4,140.4	21.0%
35	Machinery except electrical	16,627.3	9.4%	11,499.8	47.0%
36	Electric & electrical equipment	18,833.1	10.6%	12,574.1	50.0%
37	Transportation equipment	22,839.2	12.9%	21,136.5	8.0%
38	Instruments & related products	4,762.1	2.7%	3,465.9	37.0%
39	Miscellaneous Manufacturing Industries	2,637.6	1.5%	2,091.7	26.0%
Total Major Selected Manufacturing Industries in California:		131,491.0	74.4%	104,485.1	26.0%
Total All Manufacturing Industries in California:		176,709.3	100.0%	135,765.2	30.0%
U.S. Total All Manufacturing Industries:		1,849,101.1	-	1,523,429.9	21.0%
California Percentage of Total U.S. Manufacturing:		9.5%	-	8.9%	-

California is also the Nation's leading agricultural state and accounts for $13.7 billion in agricultural commodities. This represents a large portion of the State's 1980 total material cost of a food producing industry which shipped $28.2 billion. California ranks first in the Nation in food production. Leading industry sources predict that the State's food industry will continue to grow at above the national average. The food industry in California spent $614.7 million on new plant and equipment during 1978, which represents the State's highest industry capital expenditure.

Despite California's impressive performance in the food sector, forty-eight of the Nation's top fifty food producing companies are headquartered elsewhere. However, most of the United States' larger food companies maintain substantial branch or divisional plants and facilities in California. In addition, a large number of medium sized to smaller food processing firms are native to the State. The California Manufacturers Register* lists approximately eight hundred companies operating plants in the food industry covering all aspects of food production. Many of these companies offer substantial prospects for Canadian materials producers, as will be seen from our selected interviews.

California is the Nation's leader in the transport and equipment (including aerospace) and electric and electrical (electronics and computers) industries. Today, one out of every four manufacturing workers in the State is employed in one of these "high technology" industries. These

*California Manufacturers Register is published by Times Mirror Press, 1115 Sth Boyle Avenue, Los Angeles, CA 90023-2197 dynamic industries have grown remarkably in recent years and economists predict continued growth and diversification in this sector over the next decade. The transportation (aerospace) industry spent $445.1 million on new plant and equipment during 1978 whilst the electric and electrical (electronics and computers) industry spent $607.0 million over the same period.

Prospects for packaging material sales are not encouraging in the short term for the aerospace and electronics industries; these industries do have packaging requirements of course, but they are generally highly specialized and materials are usually purchased close to their production source. The aerospace industry relies mainly on solid foam packaging for the relatively low volume, high cost components that it produces. The electronics and video industries are developing a more positive need for packaging materials and offer wider prospects because of the move towards consumer-oriented products such as video games and home computers. This is an area with enormous growth potential and could offer Canadian suppliers substantial prospects in the long term. The transport (aerospace), electric and electrical (electronics and computers), and the food industries account for $69.9 billion (39.5%) of the State's total shipments.

Most other industrial groups, including those selected for this study contribute less than 5% each to the State's total shipment value, and totaled $61.5 billion during 1980. This figure represents a 26% average increase in growth over 1978. These other industrial groups do not have the same

OREGON
NEVADA
ARIZONA
MEXICO
PACIFIC OCEAN
Eureka
Redding
Reno
Sacramento
Stockton
San Francisco
San Jose
Modesto
Fresno
Monterey
Las Vegas
Bakersfield
San Luis Obispo
Santa Barbara
Los Angeles
San Bernardino
Palm Springs
San Diego
Tijuana

STATE OF CALIFORNIA.

degree of exposure in the State and are, therefore, not as visible. The importance of the other California industries selected for this study can be assessed from Table 3.2 and from the industry interviews presented later.

3.3 INDUSTRIAL PRODUCTION AND MARKETING CENTERS IN CALIFORNIA

The majority of California's value-added manufacturing industries are located in three readily definable geographic areas. When these areas are examined in terms of the diversity of the industries which they contain and the collective dollar value of their output, they make the State a very attractive proposition to prospective Canadian materials producers.

The three main production and hence marketing areas in California are: the Los Angeles marketing area; the San Francisco marketing area; and the San Joaquin marketing area. We have presented information in the following tables designed to show Canadian exporters the relative strengths and the diversity of industry that the three areas contain.

Table 3.3 presents a clear picture of the importance of the three selected marketing areas. The table shows the value of manufacturing in the State in 1978 and that the selected marketing areas shipped \$127.2 billion (93.7%) of the State's total (\$135.7 billion). In 1980, the State's total shipments were valued at \$176.7 billion. The selected

TABLE 3.3

MANUFACTURING IN CALIFORNIA: NUMBER OF ESTABLISHMENTS, VALUE OF SHIPMENTS, AND VALUE ADDED BY MANUFACTURING

Marketing Areas	Manufacturing Establishments 1977				Value of Manufacturing 1978				Capital Expended Total (million dollars)
	Total Establishments	% of State Total	Total Establishments with 20 or more employees	% of all Employees in State	Total Shipments (million dollars)	% Increase in Value of Shipments	% Value Added by Manufacture	% of State Total of Added Value	
Los Angeles Area:									
Los Angeles/Long Beach	21,119		6,543		59,220.3	10.7%	46.1%		1,578.9
Anaheim/Garden Grove/ Santa Ana	4,703		1,225		10,891.4	14.2%	56.5%		471.0
Riverside/Ontario/ San Bernardino	1,681		461		4,528.9	15.5%	48.8%		242.9
Oxnard/Simi Valley/ Ventura	529		139		1,206.1	20.2%	52.3%		42.9
Total: Los Angeles Marketing Area	28,032	61.9%	8,368	58.0%	75,846.7	15.1%	50.9%	58.6%	2,344.8
San Diego	2,013		464		5,095.7	23.6%	53.9%		171.9
Total: San Diego	2,013	4.4%	464	3.6%	5,095.7	23.6%	59.9%	4.4%	171.9
San Francisco Area:									
San Francisco/Oakland	5,780		1,538		19,804.1	11.5%	36.5%		460.2
San Jose (including Santa Clara)	2,671		762		13,238.4	16.7%	55.7%		819.6
Vallejo/Fairfield/Napa	275		79		1,534.4	18.5%	28.4%		41.9
Total: San Francisco Marketing Area	8,726	19.3%	2,379	21.3%	34,576.8	15.5%	40.2%	24.0%	1,321.7
Santa Cruz	458		104		585.5	8.6%	52.7%		33.1
Santa Rosa	291		60		741.1	10.5%	52.0%		21.6
Total: Santa Cruz Santa Rosa	749	1.6%	164	1.3%	1,326.6	9.5%	52.3%	1.1%	54.7
San Joaquin Area:*									
Sacramento	876		210		2,720.5	16.7%	39.2%		91.6
Stockton	414		139		2,051.4	3.5%	36.6%		71.7
Modesto	303		105		2,234.3	19.7%	35.8%		60.3
Fresno	699		198		2,125.2	13.9%	38.7%		75.7
Bakersfield	334		78		1,231.4	29.0%	28.4%		44.8
Total: San Joaquin Area	2,626	5.8%	730	5.7%	10,362.8	4.9%	35.7%	6.1%	344.1
Totals: Selected Marketing Areas:	42,146	93.0%	12,105	90.0%	127,208.6	13.7%	46.6%	94.2%	4,268.1
Totals: State of California:	45,289	100.0%	12,883	100.0%	135,765.2	12.3%	46.0%	100.0%	4,493.1

*Ma[illegible] regarded as agricultural production areas

Sourc. Department of Commerce Census of Manufactures marketing areas were responsible for approximately $165.5 billion of this total, showing a 7 percent growth rate in real terms between 1978 and 1980. As can be seen from this table, the selected marketing areas contributed 94.2 percent of the total value-added by manufacturing in the State during 1978 and that 95 percent of all new capital invested in manufacturing is spent in the selected marketing areas. Table 3.3 also shows that in 1977 the marketing areas contributed 93 percent of the State's manufacturing establishments and employed 90 percent of the State's workforce who were employed in value-added manufacturing. (1977 figures, showing manufacturing establishments, were the latest figures available and have been used together with the 1978 value of manufacturing figures).

Table 3.3(1) shows in some detail the comparative strength and location of selected industries in the State and shows which industries represent prospective customers for Canadian packaging materials. Canadian companies will find the table particularly useful in planning sales visits to the marketing areas and as a basic guide to California's varied industries. Due to certain peculiarities of the Census Bureau's data gathering process, some industries are not mentioned in the Annual Survey of Manufactures and in the Census of Manufactures, which formed the basis for the information contained in the table. For example, substantial industries such as the wine and seafood industries were not mentioned.

Table 3.3(1) formed the basis for the selection of industries interviewed during the study, the results of which are given in section 4. Shipment

TABLE 3.3 (1)

SELECTED MANUFACTURING INDUSTRIES IN CALIFORNIA 1977-1978 SHIPMENTS IN $ MILLIONS

SIC	INDUSTRY GROUP	MARKETING AREA LOS ANGELES/LONG BEACH/ANAHEIM SCSA*				ADJACENT AREAS	SAN FRANCISCO/OAKLAND SAN JOSE SCSA*			ADJACENT AREAS		SAN JOAQUIN VALLEY				
		Los Angeles Long Beach	Anaheim Santa Ana Garden Grove	Riverside San Bernar-dino/Ontario	Oxnard/Simi Valley Ventura	San Diego	San Francisco	San Jose	Fairfield Napa Vallejo	Santa Rosa	Santa Cruz	Sacramento	Stockton	Modesto	Fresno	Bakersfield
20	FOOD & KINDRED PRODUCTS	6,646.4	1,171.9	483.2	162.1	665.4	3,832.2	1,163.6	468.1	219.9	317.6	1,198.4	1,153.8	1,511.4	1,046.4	136.0
201	Meat Products	1,641.3	-	50.8	-	119.7	164.7	67.5	103.9	26.1	-	-	223.2	152.3	71.4	-
2011	Meat Packing Plants	-	-	-	-	-	-	-	103.9	-	-	-	-	-	-	-
2013	Sausages/Other Prepared Meats	428.4	-	-	-	-	130.0	-	-	-	-	-	-	-	-	-
2016	Poultry Dressing Plants	-	-	-	-	-	-	-	-	-	-	-	-	109.1	-	-
202	Dairy Products	759.3	150.2	-	-	40.3	387.3	54.1	-	-	-	152.6	-	-	110.8	-
2026	Fluid Milk	529.0	-	-	-	39.8	307.5	-	-	-	-	-	-	-	-	-
203	Preserved Fruit & Veg.	376.1	392.7	-	135.3	-	450.3	708.5	-	39.5	159.8	397.8	321.9	652.3	373.2	-
2032	Canned Specialities	35.3	-	-	-	-	90.0	-	-	-	-	-	-	-	-	-
2033	Canned Fruit & Veg.	119.6	169.8	-	-	-	219.6	415.8	-	-	-	-	338.2	348.7	-	-
2035	Pickles/Sauces/Salad Dressings	94.9	-	-	-	-	105.9	-	-	-	-	-	-	-	-	-
2037	Frozen Fruit & Veg.	-	-	-	-	-	-	-	-	-	159.5	-	-	-	-	-
2038	Frozen Specialities	40.0	50.5	-	-	-	15.7	-	-	-	-	-	-	-	-	-
204	Grain Mill Products	371.9	-	132.8	-	-	185.0	-	-	-	-	196.3	252.4	-	-	-
2047	Dog/Cat & Other Pet Food	140.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-
205	Bakery Products	537.6	100.4	-	-	61.5	391.7	46.0	-	-	-	-	-	-	-	-
2051	Bread/Cake & Related Prods.	485.2	-	-	-	61.5	241.7	-	-	-	-	-	-	-	-	-
2052	Cookies & Crackers	42.3	-	-	-	-	113.1	-	-	-	-	-	-	-	-	-
206	Sugar & Confect. Products	113.7	-	-	-	-	489.4	-	-	-	-	67.2	-	-	-	-
207	Fats & Oils	319.5	-	-	-	-	325.5	-	-	-	-	-	-	-	133.7	-
2079	Shortening & Cooking Oils	200.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
208	Beverages	1,008.0	100.4	104.8	-	76.7	337.2	155.2	-	90.8	-	58.4	129.2	-	205.2	42.7
2082	Malt Beverages	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2084	Wines, Brandy & Brandy Spirits	-	-	-	-	-	-	-	-	86.8	-	-	-	-	-	-
2086	Bottled & Canned Soft Drinks	301.3	113.1	85.7	-	-	144.1	-	-	-	-	-	-	-	33.5	-
209	Misc. Foods, Kindred Prods.	1,454.1	129.9	36.8	-	-	890.4	44.1	-	-	-	22.7	-	-	26.2	-
2091	Canned & Cured Seafoods	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2099	Food Preparations NEC	335.1	-	34.3	-	-	139.7	-	-	-	-	-	-	-	-	-
22	TEXTILE MILL PRODUCTS	633.0	140.0	44.4	-	9.1	20.5	-	-	-	-	-	-	-	-	-
227	Floor Covering Mills	352.3	93.0	-	-	-	-	-	-	-	-	-	-	-	-	-
2272	Tufted Carpets & Rugs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	APPAREL, OTHER TEXTILE PRODUCTS	3,007.2	65.6	65.6	26.5	81.5	561.7	-	-	-	-	-	-	-	-	-
232	Men's & Boys' furnishings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
233	Women's & Misses' outerwear	1,933.3	-	18.8	-	-	248.9	-	-	-	-	-	-	-	-	-
234	Women's & Children's undergarments	108.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
238	Misc. Apparel & Accessories	54.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-
239	Misc. Fabricated Text. Prods.	354.1	41.3	-	-	-	46.8	-	-	-	-	-	-	-	-	-
25	FURNITURE & FIXTURES	1,699.9	304.3	46.4	-	40.0	159.5	-	-	-	-	-	24.4	-	17.2	-
251	Household Furniture	1,237.4	-	38.2	-	30.7	92.5	-	-	-	-	-	-	-	-	-
2511	Wood Household Furniture	-	48.2	-	-	15.8	12.8	-	-	-	-	-	-	-	-	-
252	Office Furniture	154.9	-	-	-	-	11.8	-	-	-	-	-	-	-	-	-
26	PAPER & ALLIED PRODUCTS	1,319.5	455.2	89.0	117.3	18.7	572.4	171.3	-	-	-	100.4	-	203.4	-	-
263	Paperboard Mills	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
264	Misc. Converted Paper Prods.	446.0	209.8	-	-	-	228.7	-	-	-	-	-	-	-	-	-
2643	Bags except Textile Bags	149.7	-	-	-	-	29.0	-	-	-	-	-	-	-	-	-
265	Paperboard Containers/Boxes	691.2	178.2	62.5	-	15.8	220.2	86.4	-	-	-	-	-	-	-	-
27	PRINTING & PUBLISHING	-	448.1	131.5	-	328.1	1,057.7	340.2	24.0	19.3	13.2	105.6	22.6	35.5	45.0	-
2711	Newspapers	632.2	93.9	72.7	-	98.2	314.5	147.0	17.2	14.4	-	64.7	16.3	-	-	12.9
2721	Periodicals	325.5	22.8	-	-	-	53.9	-	-	-	-	-	-	-	-	-
273	Books	-	17.8	-	-	-	111.3	35.2	-	-	-	-	-	-	-	-
278	Blankbooks & Bookbinding	115.6	-	-	-	-	15.6	-	-	-	-	-	-	-	-	-

*SCSA: Standard Consolidated Statistical Areas
Note: individual areas viz: Los Angeles/Long Beach, San Jose etc.
are defined as SMA's (Standard Metropolitan Areas) by the Bureau of the Census

TABLE 3.3 (1) Continued.

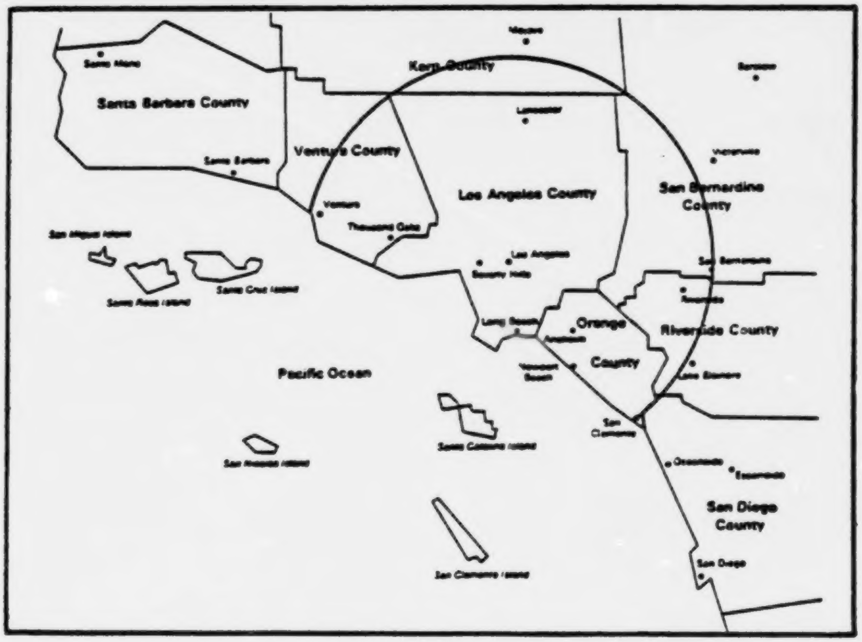
SIC	INDUSTRY GROUP	MARKETING AREA LOS ANGELES/LONG BEACH/ANAHEIM SCSA*				ADJACENT AREAS	SAN FRANCISCO/OAKLAND SAN JOSE			ADJACENT AREAS		SAN JOAQUIN VALLEY				
		Los Angeles Long Beach	Anaheim Santa Ana Garden Grove	Riverside San Bernar-dino/Ontario	Oxnard/Simi Valley Ventura	San Diego	San Francisco	San Jose	Fairfield Napa Vallejo	Santa Rosa	Santa Cruz	Sacramento	Stockton	Modesto	Fresno	Bakersfield
28	CHEMICALS & ALLIED PRODS.	3,253.3	524.5	139.7	-	281.5	1,709.5	255.7	-	-	-	151.4	105.4	-	-	42.6
281	Industrial Inorganic Chemicals	239.6	-	-	-	-	136.4	-	-	-	-	-	-	-	-	-
282	Plastics Materials & Synthetics	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
283	Drugs	399.1	208.2	-	-	-	-	98.2	-	-	-	-	-	-	-	-
2831	Biological Products	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2834	Pharmaceutical Preparations	266.8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
284	Soaps, Cleaners & Toilet Goods	1,037.2	-	-	-	-	236.1	-	-	-	-	-	-	-	-	-
2842	Polishes & Sanitation Goods	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2844	Toilet Preparations	379.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
285	Paints & Allied Products	559.2	-	34.2	-	-	258.2	-	-	-	-	-	-	-	-	-
286	Industrial Organic Chemicals	133.3	-	-	-	-	317.5	-	-	-	-	-	-	-	-	-
287	Agricultural Chemicals	40.5	-	-	-	-	197.0	-	-	-	-	-	-	-	-	-
289	Misc.Chemical Products	305.2	47.6	-	-	-	160.1	-	-	-	-	-	-	-	-	-
30	RUBBER & MISCELLANEOUS PLASTICS PRODUCTS	1,756.4	640.0	171.4	-	33.7	360.3	96.3	-	-	-	83.8	34.4	-	39.8	38.2
32	STONE, CLAY & GLASS PRODUCTS	1,308.1	198.0	556.9	-	122.5	483.9	323.3	35.2	-	-	64.9	166.8	79.7	-	67.4
322	Glass, Pressed or Blown	296.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3221	Glass Containers	199.1	-	-	-	-	156.8	-	-	-	-	-	-	-	-	-
327	Concrete, Gypsum & Plaster Products	347.6	-	-	-	-	237.8	78.7	-	-	-	45.1	-	-	-	-
34	FABRICATED METAL PRODUCTS	4,641.3	851.7	346.3	30.5	184.0	1,308.7	391.2	48.6	51.2	-	263.8	-	147.8	69.6	-
341	Metal Cans & Shipping Containers	463.8	-	-	-	-	474.0	85.9	-	-	-	185.2	66.7	-	-	-
342	Cutlery,Handtools,Hardware	569.8	105.9	-	-	27.4	69.1	-	-	-	-	-	-	-	-	-
343	Plumbing & Heating, except Electrical	206.7	37.9	16.6	-	-	-	-	-	-	-	-	-	-	-	-
345	Screw Machine Products	374.3	148.9	11.5	-	-	-	-	-	-	-	-	-	-	-	-
35	MACHINERY EXCEPT ELEC.	3,952.4	1,583.3	-	112.9	726.4	949.8	3,099.7	-	50.3	-	53.6	53.7	22.3	183.4	37.1
357	Office/Computing Machines	616.8	772.4	-	-	-	254.9	2,631.4	-	-	-	-	-	-	-	-
3573	Electronic Computing Equip.	-	694.8	-	-	246.4	221.2	2,206.3	-	-	-	-	-	-	-	-
36	ELECTRIC/ELECTRONIC EQUIP.	4,695.9	2,133.9	189.9	131.8	899.7	811.0	3,261.9	-	-	42.3	-	35.0	-	-	-
363	Household Appliances	205.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-
364	Electric Lighting/wiring equipment	-	45.5	-	-	-	60.5	-	-	-	-	-	-	-	-	-
365	Radio,TV Receiving Equip.	825.4	45.3	-	-	-	-	-	-	-	-	-	-	-	-	-
3652	Phono.Records,Prerecorded Tape	228.8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
367	Electronic Components and Accessories	905.0	647.4	94.5	-	306.3	153.4	2,266.9	-	-	-	-	-	-	-	-
3671	Electron Tubes All Kinds	-	-	-	-	-	-	276.1	-	-	-	-	-	-	-	-
3674	Semiconductors/Related Devices	114.2	-	-	-	-	76.8	1,471.6	-	-	-	-	-	-	-	-
37	TRANSPORTATION EQUIP.	11,917.9	1,106.3	750.5	189.4	1,189.1	2,570.2	2,802.4	-	-	-	154.3	9.7	-	-	15.7
372	Aircraft & Parts	4,857.8	-	-	-	420.7	50.1	-	-	-	-	-	-	-	-	-
3714	M.V.Parts & Accessories	572.0	44.7	-	-	-	-	-	-	-	-	-	-	-	-	-
38	INSTRUMENTS/RELATED PRODS	1,142.5	617.7	45.2	28.9	238.4	192.6	924.2	-	-	-	-	-	-	-	-
382	Measuring/Controlling Devices	-	202.4	-	-	140.5	49.0	532.8	-	-	-	-	-	-	-	-
384	Medical Instruments/Supplies	309.4	193.2	29.2	19.7	20.4	44.1	37.6	-	-	-	-	-	-	-	-
3861	Photo Equip. & Supplies	114.9	64.6	-	-	-	24.8	56.6	-	-	-	-	-	-	-	-
39	MISC.MANUFACTURING INDS.	1,220.5	280.3	-	13.4	95.4	111.1	192.7	-	-	-	-	9.1	-	10.8	-
394	Toys & Sporting Goods	560.9	149.6	-	-	47.4	38.1	135.2	-	-	-	-	-	-	-	-
395	Pens/Office/Art Goods	156.0	-	-	-	-	12.1		-	-	-	-	-	-	-	-

totals for the industries included in the table are presented under two, three and four digit classifications. The two digit figures are the totals for each industrial group, the three and four digit figures are totals for sub-classifications and form only a portion of the two digit totals. All two digit totals are taken from 1978 census figures whilst three and four digit figures are taken from 1977 census figures, which were the latest available under these sub-classifications. The figures presented in this table can be used as indicators only since they have been drawn selectively over a two year period. Table 3.3(1) can be used in conjunction with the previous Table 3.2 which will enable Canadian material producers to obtain an overall picture of the state of industry in California.

The Los Angeles Marketing Area:

The Los Angeles marketing area consists of the Los Angeles-Long Beach area, the Anaheim-Garden Grove-Santa Ana area, the Riverside-San Bernardino-Ontario area, and the Oxnard-Simi Valley and Ventura area. These areas, shown on the map following, collectively make up the "Los Angeles consolidated statistical area" and fall within the area that has commonly come to be called the "Los Angeles sixty mile circle". The sixty mile circle had a population of 10.7 million in 1980, representing 46 percent of the State's total inhabitants. The area is the Nation's second largest population center and is responsible for half of the economy of the State of California.

LOS ANGELES MARKETING AREA


Mojave
Kern County
Barstow
Santa Maria
Santa Barbara County
Lancaster
Victorville
Santa Barbara
Ventura County
Los Angeles County
San Bernardino County
Ventura
Thousand Oaks
San Miguel Island
Los Angeles
Beverly Hills
San Bernardino
Santa Rosa Island
Santa Cruz Island
Riverside
Long Beach
Orange County
Anaheim
Riverside County
Pacific Ocean
Newport Beach
Lake Elsinore
San Clemente
Santa Catalina Island
San Nicolas Island
Oceanside
Escondido
San Diego County
San Diego
San Clemente Island

By any measure, the area ranks as a manufacturing giant. The 1977 Census of Manufactures established that there were 28,032 manufacturing establishments in the Los Angeles marketing area. Employment in manufacturing in the area increased by 23.1 percent between 1970 and 1980, compared with reductions of 19.1 percent for the Greater New York area and 12.4 percent for the Greater Chicago area over the same period.

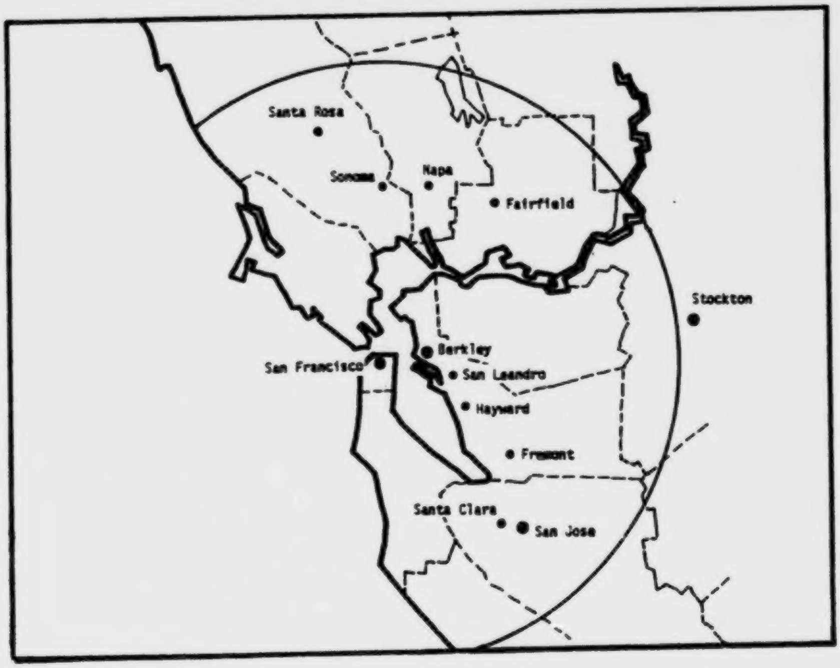
The Los Angeles marketing area ships approximately 55 percent of the State's total dollar value in manufactured goods annually and is responsible for 59 percent of the State's value-added by manufacturing total. The Los Angeles area alone, with it's diversity of industry, is one of the world's major markets and offers excellent opportunities for export oriented Canadian packaging materials producers. The area could provide an ideal base for Canadian companies who wish to establish their own marketing and sales operations in the State. Whilst most of the State's industries are represented in the Los Angeles area, some are stronger than others and they are more visible as targets for Canadian material sales. Table 3.3 should be used to provide a guide to the relative strengths of the industries and to assist in determining potential for Canadian material sales in the area.

We interviewed representative companies from the following industries during the study: food processing and beverages; wines; pharmaceuticals and toiletries; electronics; and, toys. These industries appeared to offer the best prospects for Canadian exporters. The results of our interviews, together with comments on industry trends and prospects are presented in a following section.

The San Francisco Marketing Area:

The San Francisco marketing area includes San Francisco-Oakland, San Jose-Santa Clara, and the Vallejo-Fairfield-Napa areas. These areas, shown on the map following, collectively make up the San Francisco, Oakland and San Jose consolidated statistical area. The San Francisco marketing area had a population of 5.18 million in 1980. This represents approximately 22 percent of the State's total inhabitants. The San Francisco area produces approximately 25 percent of the State's total manufactured shipments. Industrial growth in most sectors has been somewhat slower than in the Los Angeles region.

SAN FRANCISCO MARKETING AREA


Santa Rosa
Sonoma
Napa
Fairfield
Stockton
Berkley
San Francisco
San Leandro
Hayward
Fremont
Santa Clara
San Jose

The term San Francisco marketing area is something of a misnomer since the actual area of San Francisco is very small and the surrounding areas (included in the San Francisco consolidated statistical area) contribute substantially to the overall total for the area. San Jose, in particular, has shown the greatest increase in industrial production for the area in recent years. This increase is due largely to the fact that the bulk of the Nation's semi-conductors are produced in that area, which has come to be known as "Silicone Valley" In 1978, San Jose contributed 39 percent of the San Francisco marketing areas's total shipments.

1977 census figures show that there were 8,726 manufacturing establishments situated in the San Francisco marketing area. These establishments were collectively responsible for shipping 25.5 percent of California's total shipment value and achieved 24 percent of the State's total value added by manufacture. San Jose was the State's individual leader in value added by manufacture, with a ratio of 55 percent. The San Francisco marketing area attracted 29 percent of the new capital invested in manufacturing for the State in 1978; 62 percent of this total was spent in the San Jose area.

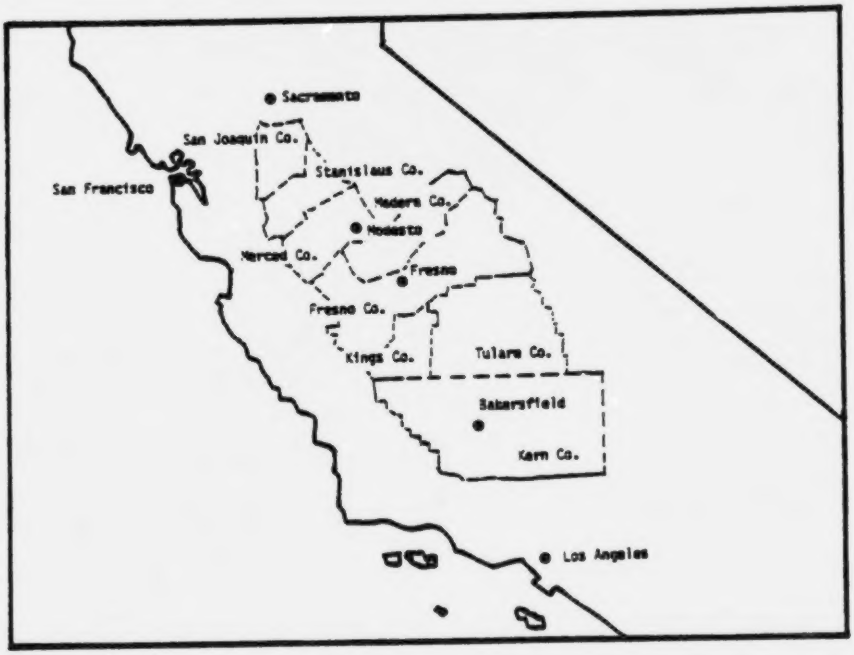
The San Francisco area cannot command the same degree of industrial strength as the Los Angeles area; however, most industries represented in the Los Angeles area are also represented in the San Francisco area albeit to a lesser degree. When interviewing companies in San Francisco, we concentrated primarily on those industries which are stronger in the San Francisco area than in the Los Angeles area. Consequently, we interviewed representative companies from the following industries:-
Food processing--preserved fruits and vegetables; cookies and crackers; the candy and ice cream industries; and, the wine and brandy industry.
Industrials--the electronics and office equipment industries, consisting of the computer and office machine industry, and those industries that are related to or use semi-conductors.

The San Joaquin Marketing Area:

The San Joaquin marketing area, which includes Sacramento, Stockton, Modesto, Fresno, and Bakersfield, is not classified as a standard consolidated statistical area by the Bureau of the Census. (For the purpose of this report, we have constructed a composite of the area). The San Joaquin area is generally considered to be one of the State's leading industrial areas--we feel that the area should be considered in terms of its overall contribution to California's economy. Industrial figures do not take into account the fact that the San Joaquin Valley area is the State's and the Nation's leading agricultural producing area.

The 1977 Census of Manufactures established that there were 2,626 manufacturing establishments in the San Joaquin area. These manufacturers collectively shipped 4.9 percent of the State's total shipment value during 1978. The area was responsible for 6.1 percent of the State's total value added by manufacture and attracted 7.6 percent of the new capital invested in manufacturing for the State in 1978.

SAN JOAQUIN MARKETING AREA


Sacramento
San Joaquin Co.
Stanislaus Co.
San Francisco
Madera Co.
Modesto
Merced Co.
Fresno
Fresno Co.
Kings Co.
Tulare Co.
Bakersfield
Kern Co.
Los Angeles

The San Joaquin area is strong in food processed products. One notable industry is the wine industry; the bulk of the Nation's grapes are grown in the area and many of the Nation's top winemakers operate there. The Northern San Joaquin area and Sacramento is the Nation's second largest rice producing area and is served by a deep water grain handling port located at Sacramento. The San Joaquin area is starting to assume a greater industrial importance as industries are starting to decentralize to the area. At present, light manufacturing and electronics form the core of this new industrial activity in the area. We restricted our interviews in the San Joaquin area to food processors and wine producers.

3.4 AGRICULTURE IN CALIFORNIA

California's agricultural industry is a potential source of sales for Canadian packaging material producers. In 1981 California was the Nation's leading agricultural state for the thirty-fourth consecutive year. Preliminary 1981 estimates show California's gross farm receipts were $13.2 billion, 30 percent ahead of Iowa, the next state, which grossed $10.1 billion. Texas was in third position with receipts of $9.2 billion. The secret behind California's agricultural strength is that it closely parallels the State's industrial success.

California's agricultural production is considered to be one of the most diversified in the world. No one crop dominates the State's agricultural economy and most crops individually account for less than 2 percent of the State's gross farm income. California leads the Nation in the production of forty-nine crops and agricultural commodities; a large number of these crops are specialty crops in which the "Golden State" accounts for most of the U.S. production.

Our research showed that many of California's leading agricultural producers are showing an increasing interest in taking a share of the basic food processing for themselves. This move is seen as a means of strengthening and protecting margins which are subject to substantial price fluctuations. This has been particularly noticeable during the present recession. Agricultural producers now feel it is logical to control as much of the production cycle as possible to maximize profits. For this reason California agricultural producers represent a source of potential business for Canadian materials producers in some area.

4.0 MANUFACTURER-END-USER INTERVIEWS

During the course of the study we interviewed a number of established California manufacturers. Manufacturers were selected from the industry groups shown in Tables 3.3 and 3.4(1). In selection we concentrated on the food, beverage, cosmetics, and wine industries. We considered that these industries are the most applicable to the Canadian materials being offered. Other industries were interviewed wherever possible if it appeared they could be of interest to Canadian suppliers.

Criteria for Interviews:

Manufacturers were interviewed by telephone and in some cases personal visits were made. When personal visits were made company purchasing personnel were shown samples of Canadian flexible packaging, folding boxes, and labels. Wherever possible we worked from a set questionaire. Questions were designed to determine: Manufacturer's current usage of packaging types; whether packaging materials purchased are manufactured in California or elsewhere; are materials stocked locally; degree of local representation acceptable to end-users; purchasing patterns; price considerations; indications of future packaging trends; and decision makers for purchasing.

It should be noted that it was not always possible to obtain satisfactory answers to all questions. For this reason the interviews are presented in precis form. We found that manufacturers were generally very receptive. A summary of our findings is given after the inteviews.

Food Products.

HEUBLINE INC.

151 commonwealth Drive,
Menlo Park, CA 94025. (415)324-2751

Corporate Headquarters
Munson Road,
Farmington, CT 06032 (203)233-7531

Heubline operate several plants in California including the Commonwealth Drive plant which produces bottled cocktails. We were referred to the corporation's headquarters in Connecticut, where all purchasing originates. Heubline purchases its packaging materials nationally, locally, and also from Canada. When the corporation has developed a need for a new package or packaging material the purchasing department approaches suppliers seeking bids. Canadian suppliers need to advise Heubline of their capabilities before they are placed on the tendering list. Mr William Rose, the Purchasing Officer has dealt with at least one Canadian company who supplied them with labels.
The Heubline corporation is one of the U.S's top fifty food producing companies and handles a wide range of products.

CHB FOODS INCORPORATED

7351 Crider Avenue,
Pico Rivera, CA 90660. (213)723-3661
Mr Bill Kline, Purchasing Officer.

CHB produces preserves, syrups, toppings, salad oil, salad dressings, pickles, beans, tuna, cake & pancake mixes, peaches, tomatoes, beef stew and pet food. The corporation employs 4,500 people and has sales of over 50 million per annum.
CHB purchases its varied packaging requirements on the West Coast and in the central U.S. Packaging used ranges from cartons to polyurethane film. CHB is open to new suppliers; Canadian companies should send literature and samples to Mr Kline before making an appointment.

LAURA SCUDDER'S SNACK FOODS
Division Pet Inc.

P.O.Box 4004,
Anaheim, CA 92803. (714)772-5151
Ms Pat Russo, Materials Purchasing.

Laura Scudder's produces potato chips, mayonnaise, peanut butter, corn chips, nut meats, and other snack items. The corporation employs 1200 people; sales are over $50 million.
The corporation uses laminated plastics, polypropylene film, foil, and a wide range of converted flexible materials. The corporation is specifically interested in laminated structures which will improve shelf life and

Food Products.

LAURA SCUDDER'S Contined ....

reduce costs. The corporation predicts a major change in package sizes towards smaller portions. Laura Scudder's buy direct from packaging suppliers, bids go out twice a year. The initial delivery for any new package is 4 to 8 weeks. Suppliers are expected to hold inventory for Scudder's who take delivery as required over the contract period. Price and quality are equally important. The corporation has not previously purchased film or printed package structures from Canada but it is always interested in new developments and is completely open to new supply sources. Prospective suppliers should contact Ms.Russo.
Scudder's regularly use metallized film.

LAWRY'S FOODS INC.

570 West Avenue 26,
Los Angeles, CA 90065. (213)225-2491
Richard Atwell, Materials Purchasing.

Lawry's are a major U.S. producer of food seasonings and specialty food products. The company produces two distinct product types packaged either in bottles or in foil structure pouches. Mr Atwell is specifically interested in new pouch structures which will reduce film thickness and cut costs. Lawry's have investigated metallized materials for the spice jar labels but decided to stay with more conventional materials because they found that the metalized material they tried retained grease which could make their product look unattractive over prolonged use.
Canadian suppliers should contact Lawry's who are interested in new techniques. It would be advantageous to make initial contact through Lawry's Canadian subsidiary which is located at 95 Advance Road, Toronto, Ontario M8Z-2T2, telephone (416)239-4321. Lawry's also operate a plant in Murphysboro, Illinois. Lawry's may be able to accommodate smaller sized trial runs by fitting them into one of their international patterns but Mr Atwell advised that Canadian suppliers must be prepared to produce limited size trial runs at maximum cost benefit in order to attract business.

HUNT-WESSON FOODS INC.
Subsidiary of Norton Simon Inc.

1645 West Valencia,
Fullerton, CA 92634. (714)871-2100
Chet Anderson, Manager of Developmental Packaging.

Hunt Wesson produces tomato products, specialty food products, and processes and cans fruits and vegetables. The company refines and bottles vegetable oils. Hunt Wesson employs 6,000 people and operates three plants in California.
Mr. Anderson advised that the company has concentrated in the past largely on products which were packed in cans or glass bottles. However Hunt-Wesson

Food Products.

HUNT-WESSON Continued ....

are moving into products which can be packaged in pre printed paper-poly-foil-poly structures and are also considering aseptic packages. Mr Anderson is interested in hearing from potential Canadian suppliers but he cautions that he will need very solid delivery assurances before buying in Canada. He quoted major supply problems with a nylon film he was buying in Canada during the 1973-74 oil shortages as the reason for his caution.
Interested Canadian suppliers should first write to Mr Anderson before making an appointment. The company does understand the mechanics of buying internationally having purchased a number of materials overseas.

BELL BRAND FOODS INC.
A Division of Sunshine Biscuits Inc.

P.O.Box 2402,
Terminal Annex,
Los Angeles, CA 90051.
8825 South Millergrove Drive,
Santa Fe Springs, CA 90670. (213)723-5151
Mr K.J.Laessip, Purchasing Director.

Bell Brands generally like to be close to their packaging materials sources because the company insists on a lot of technical service from suppliers. The company produces potato chips, pretzels, pre-process potatoes, cheese puffs, dip mixes, nut meats, and canned nut meats. Bell Brands employs 550 people in its Los Angeles plant. Mr Laessip is prepared to consider Canadian sources for its products which are largely pre printed pouch packed; however Mr Laessip feels that freight costs could have a disastrous effect on pricing medium to lower priced Canadian material. Mr Laessip listed Crown Zellerbach as one of his main suppliers.
It will be necessary for Canadian suppliers to make their initial approaches to Sunshine Biscuits in New Jersey to obtain approval for any new material before Bell Brands is able to purchase.
Sunshine Biscuits is examined in a separate interview later in this section.

FOREMOST MCKESSON FOODS GROUP

Headquarters:
1 Post Street,
San Francisco, CA 94104. (415)983-8300
Patricia Codman, Purchasing Agent.

The Foremost Group is California's tenth largest industrial corporation. The Group is a major U.S. distributor of drug and health care items, alcoholic beverages and chemicals. The Group produces and markets a broad line of food products internationally and is the nation's largest supplier of bottled water and dairy by-products. Foremost operates fourteen plants in

Food Products.

FOREMOST MCKESSON Continued ....

California and employs in excess of 3,500 people. Miss Codman, Group Purchasing Agent, advised that the corporation regards itself primarily as a distributor rather than a manufacturer. In California the Group produces powdered products such as, dehydrated onion, garlic and chilli products, and lactose; grocery products, such as powdered milk and dessert toppings; bottled drinking water, and snack food items.

The Foremost Group uses a wide variety of packaging materials for its various operations including, polyethelene, containers, paper and film structures, paper packaging, cartons, and various set-up boxes. Major suppliers are, Soltex and Phillips for polyethelene resins (Soltex ships to Los Angeles from a plant in Texas); Weyerhauser for paper and paper related products. The Group purchases its packaging materials on a daily basis and pays for its materials at 30 days. Foremost sees price as being a controlling factor in the current economy. Most packaging materials are purchased pre-printed. Miss Codman expressed an interest in investigating the supply of polyethelene jugs from Canada and is interested in reviewing any innovative packaging products.

SERVICE FOODS

1048 Birgrove Street,
Carson, CA 90746 (213)537-6877
Mr. Harry Garcia

The Service Foods company produces spices, condiments and dried speciality foods such as, nuts and raisons. Most of the company's products are packaged in film or composite film pouches. A main supplier is Mobil Chemicals. The company purchases its materials on a four to six weeks basis and requires suppliers to keep stock on hand for immediate delivery. Service Foods is interested in investigating new Canadian sources for materials in the laminated film field provided the products are innovative and competitively priced. Service Foods had dealt with one Canadian company but found the product was not competitive.

SHADE FOODS INC.
3 Dairy Lane,
Balmont, CA 94002 (415)593-7826
Ms Claire Pollock, Purchasing Agent

Shade Foods are manufacturers of chocolate products, chocolate chips, liquid form chocolate, chocolate slabs, and small quantities of ice cream flavouring.
The company's main customers are industrial manufacturers. Shade Foods ships its products in standard cartons which are obtained locally. There

Food Products

SHADE FOODS INC.Continued..........

does not appear to be a viable market for Canadian suppliers in this area but Ms. Pollock stressed that her company purchases two million pounds of powdered cocoa annually and that the product has to be packaged overseas, most likely in Holland, and shipped in specialized 40lb. sealed pouches designed to prevent any leakage whatsoever which interferes with the quality of the cocoa powder.
Ms. Pollock is interested in investigating potential sources of materials suitable for shipping cocoa powder. She believes effective packaging is currently not available for cocoa powder. In addition she is interested in reviewing other products which might be relevant. Interested Canadian suppliers should send literature and samples to Ms. Pollock before making an appointment.

HOLLYWOOD HEALTH FOODS
Division of Hain Pure Food Co.Inc.

P.O. Box 54841,
Terminal Annex,
Los Angeles, CA 90054 (213)532-0221
Mr. Skeens, Purchasing

Hollywood Health Foods produce vegetable oils, vegetable juices, preserves, mayonnaise, margarine, sea salt, turbinado sugar, and herb teas. The bulk of Hollywood's production is packaged in glass or plastic containers. Labels are purchased locally directly from printers. Hollywood does however package its sugar in printed roll-stock film pouches which are purchased through film distributors. Hollywood Health Foods is owned by Hain Pure Foods which packages dried soup mixes and potato chips in foil pouch structures. Interested Canadian suppliers should contact Mr. Skeens or Mr. George Bobango. Both companies are interested in innovative packaging materials.

SUNSHINE BISCUITS INC.

P.O. Box 7,
Sayerville, N.J. 08872 (201)254-2000
Mr. Bernie Zitomer, Purchasing Director

Sunshine Biscuits operate four basic bakeries across the United States. Mr. Zitomer advised that he is currently looking at new material vendors at this stage. Sunshine are currently working with a supplier in Canada on lie-flat printed biscuit bags. Most of Sunshine's packaging consists of printed paper wraps and bags. Mr. Zitomer is interested in hearing from new Canadian sources. In our opinion the best way for Canadians to approach Sunshine will be through Humpty-Dumpty Foods Ltd., 2100 Norman Street, Lachine, Quebec H8S 1B1, telephone: (514)637-3521. The person to contact at Humpty-Dumpty is Mr. Peter Deutsch.

Food Products

S. & W. FINE FOODS INC.

1730 South El Camino Real,
San Mateo, CA 94402 (415)574-4200
Mr. Wayne Halbert, Purchasing Director

S. & W. is owned by the Tri-Valley Co-operative which is one of California's largest agricultural producing companies. The S. & W. plant in San Mateo produces canned and boxed food products. The current product range consists of canned beans, small vegetables, and fruit; and boxed products consisting of wild rice and dried fruit and beans. Additionally, the company produces coffee and packaged nuts. The company employs 400 people.
Mr. Halbert advised that he is interested in seeing what is available from Canadian material sources but that his company has traditionally purchased its packaging materials in California. The company is considering moving into laminated foil structures for some of its products and S. & W. are also interested in aseptic packaging. Mr. Halbert stressed the main reason why his company is not already in aseptic packaging is because S. & W. has become associated with products which have a shelf life of over one year. To-date, to his knowledge, manufacturers of aseptic packaging materials and systems can only offer a six month shelf life. Interested Canadian suppliers should contact Mr. Halbert prior to making a visit.

S. & W. are a tightly-knit company and decisions can be readily made on purchasing but new materials have to be approved by the company's owner, Tri-Valley Co-operative. S. & W. do a lot of their packaging development, label design etc. with a firm called De Vito Associates in San Anselmo, (415-4592150). Mr. De Vito could be of particular interest to Canadian material suppliers and an interview with him is included in a later section.

DEL MONTE CORPORATION

Subsidiary of R.J. Reynolds Inc.,
P.O. Box 3575,
San Francisco, CA 94119 (415)442-4000
Mr. Kurt White, Research & Development Unit,
New Materials

Del Monte Corporation is one of the world's leading international food and beverages producers. The company produces canned fruit, vegetables, juices, fruit juice drinks, dried fruits and raisons, canned and frozen sea food, pickles, frozen and canned prepared foods, and beverages. The company operates ten plants in California and is currently re-structuring and consolidating. A number of plants will be closed during this process. Del Monte employs about 4,600 people.
Mr. White advised that the corporation is continuously involved in investigating new material developments and new suppliers. He recommends that any Canadian company which considers itself innovative should contact him with

Food Products

DEL MONTE CORPORATION Continued....

samples and make an appointment. Del Monte is a leading innovator in the food industry. It was a Del Monte subsidiary in Europe which helped to pioneer Tetrapak aseptic beverage containers although Del Monte is not producing aseptic items itself as yet. Mr. White commented that it would take the U.S. public some time to fully adjust to the new aseptic products. He noted that Ocean Spray are currently using aseptic Brikpak packages produced in Holland. Mr. White felt that the Dutch packages could be a part of an initial supply contract with the suppliers of the system.

Del Monte recently introduced a range of Chinese type stir-fry meals packaged in retortable pouches. In addition to its size and wide product range, Del Monte is interesting to Canadian suppliers because it operates a major package stress and development facility at its Walnut Creek regional office.

Del Monte operates a Canadian subsidiary called Canadian Canners Limited which is located in Hamilton, Ontario, telephone: (416)522-2441.

NABISCO INC.

World Headquarters,
East Hannover, NJ 07936 (201)884-0500
Mr Ed Loasche, or buyer (Specified packaging material)

California Headquarters,
P.O.Box 3042, Rincon Annex,
San Francisco, CA 94119. (415)467-1553

Nabisco is one of the U.S.'s top fifty food manufacturing companies. Main product lines are biscuits and crackers. The corporation purchases most of its in line packaging materials, whether blank film, printed film, overwraps etc on an annual contract basis. Corporate policy is to spread orders for most lines over a number of materials suppliers in order to minimize risk of slowdowns etc. Generally the corporation's attitude is to purchase, say film, within outlined tolerances, for the lowest price. For this reason Nabisco are always open to bids. Interested Canadian suppliers should contact Mr Loasche.
Nabisco operate two carton making plants of their own. The corporation has a very positive attitude towards Canadian suppliers.

WINCHELL'S DONUT HOUSE

A Division of Denny's Inc.

1624 Valley View Avenue,
La Mirada, CA 90637. (213)587-1200
Mr John Carey.

Food Products

WINCHELL'S DONUT HOUSE Continued ....

Winchell's produces mainly bulk ingredients for the corporation's own chain of retail donut-coffee houses. The corporation is substantial and employs in excess of 1000 people. Winchell's utilize a range of printed paper bags, cartons, napkins and other consumer items. Canadian companies wishing to quote on these items should contact Mr. Carey.

OROWEAT FOODS COMPANY

P.O.Box 3000,
Greenwich, CT 06830. (203)531-2072
Mr Dennis Norberg, Purchasing Director.

Oroweat operate baking plants in eight states (a total of 13 plants) and the bulk of these are located in the Western U.S. with two located in California. All corporate materials purchasing decisions are made in Connecticut. The corporation purchases in excess of $30 million of packaging materials annually. Materials used consist chiefly of pre-printed poly bags and cartons. Orders are placed with suppliers on a weekly basis and deliveries are expected within 6-8 weeks. Oroweat deal regularly with Crown Zellerbach in Indiana, St Regis in Seattle and Dallas, and Mobil in Pennsylvania. Oroweat usually buys on the following terms: 1% for payment in ten days, net amount for payment in 30 days. Quality is generally considered more important than price.
Oroweat are interested in investigating packaging which can offer a thirty day shelf life.

VAN DE KAMP'S HOLLAND DUTCH BAKERS INC.

2930 Fletcher Drive,
Los Angeles, CA 90065. (213)255-0171
Ms Ann Williams, Materials Purchasing.

Van De Kamp's are a large Southern California bakery employing 750 people. The company produces mainly horizontally packaged products, cakes, buns and other specialty bakery items. Van De Kamp's use foil lined kliklok printed trays and cellophane overwrap. The company obtains its folding cartons from Malnose in Omaha, Pacific Coast Packaging, and the Standard Paper Company. Cellophane is supplied by Olin and DuPont. Materials are ordered roughly every ten weeks and partial shipments are delivered weekly. Van De Kamp's pay for their packaging materials at 30 days. Since most items are tray packed printing is confined to the trays themselves , which are usually litho printed.

Food Products

HILL'S DIVISION, RIVANA FOODS

6041 South Malt Avenue,
Los Angeles, CA 90040. (213)728-7733
Willis L. Chavez, Purchasing Officer.

Hill's Division produces high quality specialist pet foods which are mainly distributed to vets and pet shops. These special foods sell between 95¢ - $1.25 per lb. The company uses approximately 2 million paper bags with liners- a high quality packaging product which is currently supplied locally by St Regis, but purchased on a national basis by Colgate Palmolive who owns Hill's. Hill's have dealt with a major West Coast B.C. supplier but there were quality and delivery problems. Generally Hill's purchase direct from a manufacturer but through a West Coast representative. Mr Chavez is interested in meeting new suppliers but stressed that a personal visit to his plant would be necessary in order to discuss product and machinery considerations.

POGENS FAMILY BAKERY

1800 South Anderson Avenue,
Compton, CA 90220. (213)636-0712
Mr Leonard Danrid, Director of Manufacturing.

Pogens is the largest baker in Western Europe. The company's world headquarters is in Sweden. The Pogens plant in California employs one-hundred people. The company mainly produces cookies which are packaged in trays with overwrapping, and in pouches. The company is planning to move into flat bottomed cookie bags.
Mr Danrid named ICI, Mobil, Borden, and Intermex (a Mexican company) as major suppliers for film products. The company generally buys in 10,000 lb lots on a monthly basis. Specified delivery is normally 6 weeks. The company prefers either 1% at 10 days or net 30 for payment. Pogens buys primarily on price utilizing a standard quality material and strictly returning any defective batches of material. Two thirds of all the material the company purchases is printed by rotogravure. Interested Canadian suppliers should contact Mr Danrid for an appointment

PIONEER FRENCH BAKING CO.

512 Rose Avenue,
Venice, CA 90291. (213)392-4128
Mr Jay Garocochea, Purchasing.

Pioneer is a Los Angeles based area baker concentrating on producing french bread and rolls. The company uses poly bags and glassine bags, both are pre-printed. Pioneer contract for a sizable supply of each material (6-8 months) but the stock is delivered weekly and must be available on a 4 day call. Pioneer are satisfied with their current

Food Products

PIONEER FRENCH BAKING CO. Continued ....

poly bag supplier who is located in the Los Angeles area. Mr Garochea has been working with the current supplier for 8 years and although he has investigated 8-10 alternative suppliers he can find no one who can beat the current pricing or quality. Mr Garochea is however open to alternative products and suppliers for his glassine bags which are used to pack 'French Style' long loaves and rolls. All of Pioneer's material is supplied pre-printed.

SUN-DIAMOND GROWERS OF CALIFORNIA

P.O.Box 1727,
1050 South Diamond Street,
Stockton, CA 95201. (209)466-4851
Ms. Pat Bersie, Purchasing Agent.

Sun Diamond produces processed walnuts, dried friut, raisons, prunes, alcohol, animal feed, and fruit juices. The company operates five plants in the San Joaquin Valley area. Sun-Diamond have recently introduced a new line of speciality dried fruits and figs packaged as snack items in metallized polyester pouches. This new product range was developed because the company recognized that snack food items were not being attractively offered to the consuming public. The company selected metallized polyester pouches because their research had indicated that consumers associated the silvery appearance of the metallized package with high quality. An additional bonus is the increased shelf life that the metallized film provides because of its excellent barrier properties.

The company feels that the new packages will enable them to increase their sales to include a wider overseas distribution. Sun-Diamond are using metallized Melinex film from ICI, Wilmington Delaware. The film is being converted by Crown Zellerbach in San Leandro. The structure consists of 250 guage PVDC cellophane/ ink/10 pound LDPE/48 guage metallized Melinex/ 10 pound LDPE/1½ mil LDPE film.

Ms. Bersie said that she is constantly evaluating new materials and package structures. Generally, she takes her lead from the film producers who are aware of new properties for their products before converting is considered. She would be extremely interested in hearing from Canadian material suppliers and converters.

Food Products

SUNSWEET GROWERS INC.

901 Walton, (916)674-5010
Yuba City, CA 95991.
Mr Ray Cresswell, Purchasing Agent.

Sunsweet is owned by Sun-Diamond Growers (see previous interview). Sunsweet also produces dried fruit but concentrates on prunes and prune products, including prune juice. The purchasing for companies in the Sun-Diamond group is handled separately by each company.

SUN-MAID GROWERS OF CALIFORNIA

13525 South Bethel Avenue, (209)896-8000
Kingsburg, CA 93631
Mr FRank Butterworth

Sun-Maid was purchased by Sun-Diamond recently. As with Sunsweet Growers, above,the purchasing function is carried on independently. Sun -Maid produces raisins, raisin paste, raising juice concentrate, a variety of dried fruits, beverage alcohol, animal feeds, raisin bread, and fresh grape juice concentrate. The company operates three plants in the San Joaquin Valley and employs 700 people. Sun-Maid packs its products in poly coated cartons, poly bags, and 30 lb corrugated cases. Most packaging materials the company uses are purchased in California and Sun-Maid purchases materials on a daily basis. Preferred payment terms are 30 days net. Mr Butterworth advised that Sun-Maid is also investigating metallized foil pouches for its own (raisin related) products.
Mr Butterworth is always interested in reviewing new packaging technology and the company would like to meet Canadian converters.

SUNKIST GROWERS

Orange Products Division,
616 East Sunkist Street,
P.O.Box 3720, (714)983-9811
Ontario, CA 91761.
Mr La Nier, Purchasing Agent.

Sunkist is California's largest citrus converter. The company produces concentrated and natural strength juices, pectin, food supplements, essential oils, and cattle feed. The company's products all involve oranges, lemons, or grapefruit. Sunkist employs about 1300 people and operates two processing plants in Southern California. Most of the company's products are packaged in metal or frozen composite cans. Mr La Nier listed Weyerhauser and Owens Illinois as major materials suppliers. Owens Illinois supply the company's composite cans. Sunkist

SUNKIST GROWERS Continued ....

purchases materials on a daily basis and expects delivery of paper based products within 30 days and metal products between 30-90 days. A number of companies we interviewed, including Sunkist, print their own shipping cartons. Mr La Nier advised that Sunkist and many of the major citrus producers are interested in film and paper structures for the future. For this reason he is interested in looking at any new or innovative materials which may have a bearing on the Sunkist product range. Mr La Nier has bought Canadian packaging material in the past, he found service and price both satisfactory. He stopped buying from the Canadian source when his company no longer needed the particular material.

PARAMOUNT CITRUS ASSOCIATION INC.

P.O.Box 712,
11030 Stranwood Avenue,
San Fernando, CA 91341. (213)361-1171
Mr Charlie Reynolds, Purchasing.

Paramount produces citrus concentrates and juice drinks. The company employs 250 people. The company uses primarily 46 oz, 12 oz, and 6 oz fibre cans. The company does its own rubber mat printing on the 46 oz commercial cans. Main suppliers are Boise Cascade, CCA, and Kerco. The company is interested in looking at any materials which have a bearing on their product from Canada.

DAIRYMAN'S COOPERATIVE CREAMERY ASSOCIATION

400 South Main Street,
Tulare, CA 93274. (209)686-1611
Mr Gus Pappas, Purchasing Agent.

The Dairyman's cooperative produces butter, market milk, cream cheese, cottage cheese, yoghurt, sour cream, milk by-products (non-fat dry milk solids and skim milk), dairy feeds and fertilizers, whipping cream, powdered whey, and cheddar cheese. Both Mr Pappas and Mr Blakely (the Vice President in charge of production) are interested in state of the art packaging for dairy products. The company already buys its cheddar boxes from a Canadian company and is happy with the service and price. Dairyman's Cooperative buy their materials all over the U.S. but mainly from local (California) representatives. Mr Blakely listed the following suppliers, Sealrite for cups, Lily for paper, Milprint for cream cheese

Food Products

DAIRYMAN'S COOPERATIVE CREAMERY ASSOCIATION Continued ....

boxes, and American Can. None of the company's products are packaged in rotogravure printed packages. The company buys for maximum price breaks but considers that quality is more important than price. The company usually pays at net 10 days.
Interested Canadian suppliers should contact Mr Pappas or Mr Blakely.

CARNATION CO.

5045 Wilshire Blvd., (213)932-6000
Los Angeles, CA 90036.
Tim Pulliam, Purchasing Agent, Pet Foods.
John Holmes, Purchasing Agent, Instant Foods.

Carnation is one of the nation's top fifty food producing companies. The company is California's eleventh largest industrial corporation. The company operates a number of divisions producing a wide variety of products. The divisions are: The Dried Foods and Instant Products division which produces dried milk, dairy creamer, chocolate, and yoghurt products: The Pet Food Division which produces canned and bagged (dry) pet foods: The Tomato Division which produces mainly canned but also some aseptically packaged commercial fifty pound packages of tomato paste: The Milling Division which produces animal feed in fifty and one hundred pound bags: The Fresh Milk and Ice Cream Division which produces regular consumer milk and ice cream supplies: and the Potato Division which has a Canadian sub-division (making french fries).

Carnation uses a wide variety of packaging materials and deals with suppliers located all over the U.S. Most materials are purchased pre-printed, some involving roto-gravure. Wherever possible the company prefers to purchase its supplies on an annual contract basis. Carnation's general policy is "quality first and then price." The company buys its materials either at net 30 days or 1% - 10 days or better. Interested Canadian suppliers should contact Mr Pulliam or Mr Holmes.

Mr Holmes mentioned that he is currently negotiating with two Canadian suppliers and that he is interested in seeing and considering other Canadian pacakging products. Canadian companies should contact Mr Holmes or Mr W. Hagen (the Director of Purchasing). A selection of packaging materials Carnation uses includes: Corrugated cartons, metallized film pouches, twist top cannisters (in glass and plastic), folding consumer displays, metal tops, milk cartons, and plastic bottles. Mr Holmes is mainly interested in seeing products which relate to his current needs.

Food Products

CARNATION CO. Continued ....

Carnation is planning a major move into the consumer health food business including new lines of health food products and a chain of health food stores which will be centered initially in Los Angeles. We feel that Carnation could be a worthwhile target for Canadian materials suppliers and converters in the near future.

KNUDSEN CORPORATION

P.O.Box 335, Terminal Annex,
Los Angeles, CA 90051. (213)744-7000
Mr Jack Senter, Purchasing.

The Knudsen Corporation is one of California's top one hundred industrial corporations. Knudsen produces milk, cream, buttermilk, cottage cheese, citrus juices, cream cheese, butter, ice cream, yoghurt, puddings, deli specialty items, sour cream, and frozen novelties. The Knudsen Corporation employs 2100 people at its seven plants in California. Mr Senter is located at the Corporation's main Los Angeles plant and head office. Knudsen is currently converting a number of its products from paper to plastic packaging but intends to stay with paper for cheeses and yoghurts. Mr Senter is interested in finding new sources for cheese and yoghurt cartons. He has no experience in dealing with Canadians but stressed that it would be necessary for any new supplier to maintain local representation in the State and to be able to handle warehousing here. Mr Senter named Lily and Sealrite as major suppliers.

JOHNSTON FOODS COMPANY

P.O.Box 3096
Glendale, CA 91201. (213)245-3778
Mrs Conky Johnston, Purchasing.

Johnston's concentrate entirely on producing yoghurt products. The company packs its yoghurt entirely in paper cups. Lily Tulip and International Paper Co are the company's main suppliers. Johnstons have no set ordering schedule but purchase according to need, usually purchasing truckload quantities. The company expects suppliers to deliver in 24 hours on demand and pays at 30 days net. Price and quality are both important to Johnstons which will be one of the last major yoghurt manufacturers to switch to plastic cups and it is not certain when this will happen. Johnstons could be a good prospect for Canadian manufacturers with advanced materials for yoghurt products.

Food Products

ITT CONTINENTAL BAKING CO.

Division of ITT Corporation

Corporate Headquarters:
P.O. Box 731
Rye, NY 19580 (914)899-0268
Mr. Joseph Lombardi, Director of Purchasing
Mr. George Hudson, Purchasing Agent

ITT Continental Baking Co. operates seven bakeries in California. The company uses a variety of packaging materials for its bread and bakery products including poly bread bags (side welded with gusset), printed on both sides. The company uses over one billion bags per annum. ITT buys from a variety of sources on a national basis and issues annual contracts. The company also uses plain and printed polypropylene snack cake wrappers supplied in roll stock and printed glassine wrappers for pies, ethylene, and plain and printed Kliklok trays. Mr. Hudson is responsible for purchasing bread bags. Other purchasing personnel are Fritz Liss who is responsible for purchasing trays and Jerry Morane who is responsible for polypropylene.

Mr. Hudson advised that the company welcomes the opportunity to discuss its requirements with new suppliers. He suggests that interested Canadian companies should supply as much information as possible initially including an annual report and details of customers in Canada and if possible in the U.S., plant locations and capabilities, major production strengths, and any significant equipment currently being operated.

ITT generally issue their annual contracts to run from July to June and start looking at potential bidders in April.

GOLDEN GRAIN MACARONI CO.

1111- 139th Avenue,
San Leandro, CA 94578 (415)357-8400
Mr. Jack Ziglar, Purchasing Agent

Golden Grain produces a range of macaroni, spaghetti, vermicelli and noodles together with rice, dried beans, convenience foods, and sauces. The company operates branch offices and plants in Seattle, Washington and Bridgeview, Illinois. Golden Grain employs 900 people in California. The company's products are marketed mainly under the Riceroni brand name.

Mr. Ziglar confessed that he has never looked into the question of materials supply from Canada although he did work with one Canadian company which custom-packed some products for Golden Grain. He said that most of the company's suppliers were located close to the individual plants. He listed main

Food Products

GOLDEN GRAIN MACARONI CO. Continued....

California suppliers as Crown Zellerbach for fibre board, Diamond for film, and San Joaquin Packaging. The company has purchased its packaging requirements according to demand but is currently considering the possibility of issuing annual contracts. Golden Grain's fastest moving products are pouch and carton packs of convenience foods and pre-prepared meals.

DALGETY FOODS INC.
Member of the British Dalgety Group

P.O. Box 1491
909 Blanco Circuit,
Salinas, CA 93902 (408)757-3221
Mr. John Feisthmel, Purchasing Agent

Dalgety operates four plants in California and four plants in Washington State. The company employs 3,500 people, producing a large range of frozen fruits and vegetables. Dalgety does not produce its own brand name products but concentrates on producing for one hundred and thirty frozen food companies across the U.S. including Birdseye, Green Giant Company and Stokeys. The only packaging items the company purchases direct are plain frozen food cartons. Mr. Feisthmel suggested that Canadian suppliers should look first to the company's plant in Washington because only two types of cartons are used there in large quantities. These are the 1 7/8" and 2 3/8" end opening cartons. Current supply sources are American Can and CCA. Dalgety uses both pre-waxed and cold-waxed cartons. All of the company's overwrap and labeling requirements are determined by individual customers who place their orders with major national suppliers (Crown Zellerbach were quoted as one of the largest West Coast suppliers). The overwraps and labels are produced in large quantities, held in stock by the supplier, and Dalgety draws on these stocks as required. Dalgety only pays for stock as it is used.

Canadian companies wishing to enter the overwrap market for frozen foods must obtain the business from the individual brand name supplier and must be prepared to warehouse stocks locally. Dalgety also uses pouch packing and obtains its supplies of pouch film in the same way.

GALLO SALAMI CO.

250 Brannan Street,
San Francisco, CA 91407 (415)494-6000
Ms Violet Brigha , Purchasing Agent

Food Products

GALLO SALAMI CO. Continued....

The company was recently approached by a Canadian packaging material supplier but there was no follow-up. Gallo produces primarily portion packed and whole salami and other speciality meats. Products are either packaged by vacuum forming, filling and sealing or in pre-printed poly bags. All packaging materials, either printed or plain, are obtained from local distributors in the San Francisco area. The company puts its packaging requirements out to bid once a year and Canadian suppliers are welcome to be included on the bidding lists provided they contact Ms Brigham.

Gallo will only purchase however from suppliers with a proven track record who have representatives available in the San Francisco area.

KERN FOODS INC.

1300 East Temple Avenue,
City of Industry, CA 91749 (213)962-5111
Mr. Ralp Abraham, Director of Purchasing

Kerns produce preserves, jellies, ketchup, chilli sauce, tomatoes, tomato juice, fruit nectar, vinegar and syrup, and frozen strawberries. The company employs 1200 people. The bulk of Kern's production is taken up with canned and bottled products. Consequently, the company is mainly concerned with purchasing labels which are obtained largely from California suppliers. The company is a prospective aseptic packager.

DANOLA PLUMROSE

Corporate Headquarters:
66 Fadern Road,
Springfield, NJ 07081 (800)526-4909

California Plant:
6850 East Washington Blvd.,
Los Angeles, CA 90040 (213)685-8000

Danola Plumrose produces tinned hams and speciality meat products, usually pouched packed in its Los Angeles plant. The company generally purchases pre-printed roll stock film for speciality meats in quantities ranging from one to three million impressions per month. Materials are obtained both locally and in the Eastern U.S. The company used polyethylene, mylar, and nylon. Deluxe Pack and American Can are two major suppliers. We talked with Mr. Don Kruse, Purchasing Agent for the Los Angeles plant, who felt there was little chance that they could be interested in buying Canadian products due to the current state of the market.

Food Products

HORMEL GEO. A. & CO. INC.

Corporate Office:
P.O. Box 800,
Boston, MM 55912 (507)437-5307
Mr. Sid Shegtaby, Packaging Co-ordinator

Los Angeles Plant:
14711 Firestone Blvd.,
La Mirada, CA 90638 (213)921-7488

Hormel is one of the nation's top fifty food companies and it is best known for its ham and bacon products. The company operates production facilities in Stockton and Los Angeles, California. The company uses cans, vacuum forming, and pouch packing for its products. Flexible materials used are surlin and polyethylene but there are often changes and shifts from one material to another. Generally, however, the company sees a move towards surlin. Materials are purchased quarterly or monthly according to market conditions. Generally, three million impressions last from one to three months per product and six to eight weeks delivery is normal for printed film. Hormal's packaging is usually printed in rotogravure. Major suppliers are Kirwood (Wisconsin), American Can (Iowa and Wisconsin), Millprint (Milwaukee), and Printpak (Chicago).

Canadaian suppliers who are interested in bidding for Hormel's requirements should contact the following purchasing personnel at the corporate headquarters:- vacuum packaging and heat sealing materials--Leonard Beckel or Dee Erickson; shrink films (canned goods)--Jeff Larson.

BRIDGFORD FOODS CORPORATION

P.O. Box 3773
Anaheim, CA 92803 (714)526-5533
Mr. John Thompson, Purchasing

Bridgeford produces processed meat products and frozen bakery products. The company operates four plants in California and one plant in New Jersey which handle meat products. The company's frozen bakery products are produced in Texas and Chicago. Bridgeford uses surlin film for vacuum packaging its luncheon meats and hot dogs etc. The company uses approximately one hundred and fifty rolls of surlin a month and generally takes delivery in two weeks if the film is clear as opposed to six to eight weeks if the film is printed. Kirwood were listed a major supplier. The company buys most of its packaging requirements in the Eastern U.S. The company pays for its purchases in thirty days but expects a one percent discount for each ten days less than thirty days. Interested Canadian companies should write to Mr. Thompson in Anaheim or the Chairman, Mr. H.W. Bridgeford, personally at the above address.

Food Products

OSCAR MAYER & CO.

3301 East Vernon Avenue,
Vernon, CA 90058 (213)587-1181
Mr. Bill Campbell, Purchasing Agent

Oscar Mayer are meat processors, producing a wide variety of specialty meat products including, weiners and ham. The company's products are vacuum and pouch packed. Main suppliers are National Cans, Exxon for films, Continental for plastic bottles, and Brockway for glass. Materials are supplied from all over the U.S. and the company purchases according to demand not on an annual contract. Quality and service from local representatives is essential. H.S. Crocker and Diamond International are two major converters who print and supply film to Oscar Mayer. Mr. Campbell advised that Canadian suppliers should make their first approach to the corporation's headquarters in Madison, Wisconsin. Oscar Mayer and Dow Chemical jointly own a packaging machinery company called Cartridge Packaging Company. The company was set up to make use of Dow's film technology, Oscar Mayer consider themselves the pioneers in the packaging industry and would only be interested in new materials if they represent a significant break-through.

SUNCREST FARMS INC.

Division of Cal-Maine

114-14th Street,
Ramona, CA 92065 (714)789-1131
Mr. Bob Riches, Manager

Suncrest Farms produce and pack eggs. The company uses pre-fabricated fibre boxes which are purchased from Diamond Packaging in California. The company purchases its materials in truck load quantities roughly every two weeks. A four day delivery period is normal. There appears to be no potential for Canadian materials suppliers in the egg industry unless they are providing an innovative new approach.

S.E. RYKOFF & CO.

761 Terminal Street,
Los Angeles, CA 90021 (213)622-4131
Mr. Barry Bauling, Operations

S.E. Rykoff supplies restaurants, hospitals, and other institutions with a large range of food preparations and service items. Mr. Bauling advised that the company, which employs 1100 people, offers 25,000 lines. Of these 600 are produced in-house. The company is always interested in talking to

S.E. RYKOFF & CO. Continued....

new suppliers and packaging material sources. Rykoff purchases items all over the world and there are always new supply opportunities with this company. Interested material suppliers should write to Mr. Bauling giving full details of the specialized packaging materials or services they are offering together with some background on their company and its capabilities.

LOS ANGELES SMOKING & CURING CO.

778 Kohler Street,
Los Angeles, CA 90021 (213)622-0724
Mr. Jim Fielding, Purchasing

The Los Angeles Smoking & Curing Co. produces smoked, pickled, spiced and salted fish, and caviar. The company packs its products in vacuum packaging using clear film. Vacuum packaged items are intended mainly for the restaurant and institutional markets. Smaller seafood items are generally packed in glass with screw off tops.

The company obtains its supplies of film through Los Angeles distributors. Glass bottles are supplied with labels attached. Mr. Fielding named Southland Tape and Brockway Glass as major suppliers. The company orders according to demand but generally takes material deliveries every two weeks. Mr. Fielding is interested in looking at Canadian materials if there is a price advantage.

VAN KAMP SEAFOOD COMPANY
Division of Ralston Purina.

11555 Sorrento Valley Road,
San Diego, CA 92121 (712)481-4200
Mr. Don Hartman, Ralston Purina Head Office
Purchasing. (314)982-3818

Van Kamp produces canned tuna and canned pet food. The company employs 6000 people. We spoke first with Van Kamp in San Diego but were referred to the Ralston Purina head office in St louis, Missouri where we spoke to Mr Don Hartman. Van Kamp are investigating retortable foil pouches for the future packaging of tuna; an area which will be of interest to Canadian materials suppliers. Companies interested in supplying Van Kamp with standard labels for their canned tuna should contact the director of production in San Diego. Companies wishing to investigate retortable pouch packaging or to generally penetrate Ralston Purina should contact the purchasing director, Ralston Purina, Checkerboard Square, St Louis, Missouri.

Food Products

RUPERT CERTAFRESH INC.

Division of B.C. Packers Limited, Vancouver, B.C.

13055 East Molette Street,
Santa Fe Springs, CA 90670
Mr. Ben Race, Purchasing
(213)921-8311

Rupert Certafresh produces frozen, packaged fish for institutional and retail use. We spoke with Mr. Race in Los Angeles.

GRANNY GOOSE FOODS INC.

930-98th Avenue,
Oakland, CA 94603
Mr. Richard Corley, Purchasing Agent
(415)635-5400

The corporation produces potato chips, corn chips, tortillas, pretzels, Hawaiian chips, and cheese nibbles. Most products are packed in flexible foil pouch packs using a variety of laminations. The corporation has worked mainly with local converters although some materials are supplied from the southern and eastern U.S. Mr. Corley feels that there are very few U.S. converters capable of handling the high quality materials his company needs to purchase. He mentioned Zellerbach as a major West Coast supplier; he said that he is constantly being approached by converters who try to produce his products but are unsuccessful because of the involved artwork and the first rate printing job the company requires. He is not using metallized film because his company's products are distributed extensively and must have an extended shelf life. Also, some products contain certain flavourings which are not successful if packaged in metallized film. All of Granny Goose's foils have been printed flexographically. Granny Goose may be a prime contact for Canadian converters.

TRADER JOE - PRONTO MARKETS

538 Mission Street,
South Pasadena, CA 91030
Mr. Doug Rouch, Vice President
(213)441-1177

The Trader Joe - Pronto Market organization is extremely interesting. The company operates a chain of nineteen markets in Southern California and has made a major impact on consumer buying habits. The chain concentrates on house brand products which are attractively packaged with old-fashioned graphics. Products sold range from wines, preserves, juice, dry foods, canned fish, seasoning mixtures etc. The firm's policy is to produce over-stocks, little known items etc. Most items are packaged with materials supplied to the producer by the Trader Joe organization.

Beverages & Wine

ALMADEN VINEYARDS INC.

P.O.Box 5010,
San Jose, CA 95150. (408)269-1312
Mr Chuck Chea, Manager, Quality Control.

Almaden produces a wide range of wines, including champagne, still wines, brandy, port, vermouth, and sherry. The company is California's third largest wine manufacturer and has a 5.6 percent share of the U.S. national wine market. The company employs 850 people. The two major areas of interest to Canadian materials suppliers are Almaden's wine bottle labels and component supplies for the company's 'bag-box' wine bulk -pack system.

Mr Chea advised that the company purchases its supplies locally, nationally, and in some cases from international sources. The company makes it a firm practice to deal only with suppliers who have West Coast representation. This is essential so that day to day problems can be resolved quickly and efficiently. Almaden cannot afford any down time once a product run is in progress.

Almaden was one of the first U.S. wine producers to utilize the 'bag-box' bulk wine concept. The system consists of a flexible plastic inner container with an attached spigot and pouring valve which sits in an outer corrugated container. Pack sizes for consumer sizes are limited to 5½" x 5½" x 9" which is the largest size that a domestic refrigerator can accommodate. Commercial sizes are considerably larger. Almaden currently devotes one of its six packaging lines to 'bag-box' production, most of this production is intended for commercial use.

Material components for the 'bag-box' system are obtained from Scholle and Weyerhauser. Almaden purchases materials at a rate of twenty truckloads per day. Almaden has previously purchased containers from Canada but experienced delivery problems.

Mr Chea advised that he is interested in looking at Canadian materials providing quality and prices are competitive.

GALLO E.J. WINERY

P.O.Box 1130,
600 Yosemite Blvd.,
Modesto, CA 95353. (209)521-3111
Mr Gordon Young, Purchasing Officer.

Gallo is the world's leading winemaker. In 1981 the company produced 128.2 million gallons and took a 23.7 percent share of the total U.S. wine market. The company operates three plants in California and employs 3,000 people. Gallo owns its own glass making subsidiary called Gallo Glass company which is a substantial company in its own right.

Mr. Young advised that the company sees no need to convert to plastic. Consequently, Gallo is mainly interested as a potential customer for Canadian made labels and specialized printed cartons. Gallo purchases

Beverages & Wine

GALLO E.J. WINERY Continued....

labels in quantities which vary from 5 million to 50 million impressions per year per product. Mr. Young is interested in receiving information from Canadian companies but cautioned that Gallo does not use roto-gravure. Canadian suppliers should call Mr. Young to make an appointment before arriving. Mr. Young stressed that although he has found it awkward to deal with printers who are not in the area he does deal with suppliers from the eastern U.S. Prospective printers must be prepared to have their finishing departments thoroughly inspected because Gallo will only accept the very best quality.
Gallo has been experimenting with metallized foil labels and currently uses metallized foil on one brandy product. Mr. Young suggests that Canadians also send a range of samples. The company does not purchase through printing brokers.

BARGETTO'S SANTA CRUZ WINERY

3535 North Main Street,
Soquel, CA 95073 (408)475-2258
Mr. Larry Bargetto, President

Bargetto's is a small family owned winery producing top quality wine. The winery is interested in keeping abreast of all major new trends in materials. Currently, Bargetto's purchase all of their labels through a San Francisco based label speciality house called S.F. West-Labels. Mr. Bargetto feels that it would not be wise for his company to change suppliers at this stage. He advised that he generally pays between $18 to $19.00 per 1,000 labels. Bargetto's produce one run of each type of wine they make each year and special products are handled by imprinting blank labels.

GENERAL BREWING CO.

1210-1615 Columbia Street,
Vancouver, WA 98660. (206)695-3381
Mr Jerry Morin, Purchasing Agent.

The General Brewing Company produces 'Lucky Lager' at its Vancouver, Washington plant. The company has three label sources for its bottled beer and these are spread across the U.S. Mr Morin is always open to new bids. The company uses approximately 50 million beer labels a year. The company does not use metallized foil for its labels at present. Washington State has a deposit and return policy for beer and soft drink bottles.

Beverages & Wine

GENERAL BREWING CO. Continued ....

Mr Morin advised that General Brewing owns two other Brewing companies. These are the Falstaff Brewery in California and the Pearl Brewery in San Antonio, Texas. Each brewery purchases its packaging requirements autonomously.

We spoke to the Falstaff Breweries corporate offices which are located in Corte Madera, California (see address below) and were advised that the company has recently consolidated its operations closing its San Francisco brewing plant. The company now operates two breweries located in Omaha, Nebraska, and Fort Wayne, Indiana. Each plant is responsible for its own purchasing. The phone numbers of the two plants are given below.

FALSTAFF BREWING CORPORATION

21 Tamal Vista Blvd.,
Corte Madera, CA 94925. (415)924-9557

Fort Wayne, Indiana, plant (219)424-7232

Omaha, Nebraska, plant (402)733-1920

Interested Canadian suppliers should contact these breweries direct and ask for the purchasing agent in each case.

ANHEUSER-BUSCH INC.

15800 Roscoe Blvd.,
Van Nuys, CA 91406. (213)989-5300

National Corporate Headquarters,
725 Pestalozzi Street,
St Louis, MO 63118. (314)577-2000
Mr Gus Beig, Purchasing Director.

Anheuser-Busch operates a full service brewery in Los Angeles. However, all label and carton requirements are ordered under national contract by the corporation's head office in St. Louis, Missouri. Mr Gus Beig is the person to contact. He is always interested in any new bids. Anheuser-Busch uses metallized material for some of its labels. Anheuser Busch is not looking forward to the possibility that California might shortly institute a deposit and return policy for glass bottles and cans although the company is already faced with this problem in several other states.

Beverages & Wine

PAUL MASSON VINEYARDS

Division of Jos. E Seagram & Sons Inc.

P.O.Box 97,
13150 Saratoga Avenue,
Saratoga, CA 95070. (408)257-7800
Mr Glen Sickie, Purchasing Agent.

Paul Masson produces dessert and table wines, vermouth, champagne and brandy. The company is a member of the Canadian Seagram Group. Masson are interested in Canadian packaging materials. The company's main requirements are for wine labels both for bottled and flagon products. Occasionally the company uses high quality consumer cartons, an example being Christmas brandy. The company attempts to minimize the number of stock papers used in its label production and 4-5 million quantity runs are common. Canadian companies should make a three pronged sales approach to Masson in California, also to Seagrams in Canada and in New York. Generally Masson takes its lead in purchasing from Seagrams in New York.

SEBASTIANI VINEYARDS INC.

P.O.Box AA,
389 Fourth Street East,
Sonoma, CA 95476. (707)938-5532
Mr Larry Snook, Purchasing Agent.

Sebastiani Vineyards is a leading California winemaker. The company has had some international experience in purchasing packaging materials but mainly purchases have consisted of corks and bottle top foils. The company's requirements for packaging materials consist mainly of onward going labels for generic wines; special labels for seasonal and limited production wines (these are often produced with very short lead times because the winemakers are not able to complete the content until the last minute); special promotional displays and sometimes two colour shipping containers,(to date the company has used oil based inks for these).

Mr Snook's main concern is the smooth flow of the printing production process after an order has been given. The company needs to be kept fully advised as the printing process proceeds, checking bluelines and first sheet pulls. For this reason Sebastiani has generally purchased its label requirements in Northern California. However Mr Snook is interested in anything new to the wine industry and would consider buying in Canada provided he can maintain quality control and there is a definite price advantage. In our opinion Canadian suppliers could consider supplying California winemakers but it would be necessary to concentrate initially on materials for generaic wines which are produced continuously.

Beverages & Wine

MILLER BREWING COMPANY

15801 1st Street,
Irwindale, CA 91706. (213)969-6811

National Corporate Headquarters,
3939 West Highland Blvd.,
Milwaukee, WI 53208. (414)931-2235
Mr Lee Hitchcock, Purchasing Agent.

Miller Brewing operates a full service brewery in Irwindale, California. All packaging and labelling material is purchased from the corporation's headquarters in Milwaukee on a national contract basis. Interested Canadian suppliers should contact Mr Hitchcock to discuss the possibility of making a bid.

Coffee & Tea

MJB COFFEE,

668 3rd Street,
San Francisco, CA 94107
Sue Lewis, Purchasing Agent (415)421-7311

MJB produces coffee, tea, rice, and metal containers. The company packages its products in vacuum cans, corrugated bags, wrap-around cases (for Packmaster machines), and standard wrap cases. The company also uses fiber shells and corrugated cases for rice and flexible vacuum packaged pouches for coffee portion packing.

The company is interested in locating sources for more economical and tougher films. Ms Lewis quoted Olsons, Millprint, and Guardian as major material suppliers. MJB does not currently utilize rotogravure printing on its materials. MJB employs 740 people in three California plants. Interested suppliers should contact Ms Lewis.

HILLS BROS. COFFEE INC.

2 Harrison Street,
San Francisco, CA 94105 (415)546-4683
Mr. Walt Goldman, Purchasing Agent

Hills Bros. are headquartered in San Francisco but operate two major plants, one in California and the other in New Jersey. All new material suppliers and sources must be approved by Mr. Goldman before supply can commence. Traditionally, Hills Bros. has obtained most of its flexible packaging which consists of pre-printed roll stock film from small to medium sized converters located in New Jersey. The company purchases its material requirements according to need rather than by annual contract. Mr. Goldman would be very interested to hear from potential Canadian suppliers. He feels his company will be moving shortly into aseptic packaging. The company has a development group working on the concept at the moment and Mr. Goldman would like to offer them Canadian aseptic packaging expertise.

Hills Bros. has not purchased any materials from Canada so far but does supply its coffee products to the Canadian market. Packages are prepared bilingually.

CELESTIAL SEASONINGS INC.

1780 55th Street,
Boulder, CO 80301 (303)449-3779
Mr. Blair Hanson, Purchasing Agent

Coffee & Tea

CELESTIAL SEASONINGS Continued....

Celestial Seasonings produces a range of herb teas which are packaged in attractively designed cartons with paper liners. The company has been using offset printing because the process offers a slightly hazy quality to the finished packages which enhances the image the company has created. Mr. Hanson has an open mind in supply sources and would welcome approaches from Canadian companies who are able to demonstrate their ability to supercede current supply sources. The company has purchased widely across the U.S. Delivery times and quantities vary widely according to the particular material being ordered.

Candy Manufacturers

HERSHEY FOODS CORPORATION

HERSHEY CHOCOLATE COMPANY

1400 South Yosemite Avenue,
Oakdale, CA 95361. (209)847-0381.
Mr E.M.Pottle, Purchasing Agent.

Hershey purchases most of its candy wrappers, cartons and other packaging materials for its California factory on the West Coast. Design input and quality specifications are issued by the corporation's main plant in Pennsylvania.

Mr Pottle advised that he is constantly being offered new packaging products and materials by sales representatives and brokers. A few Canadian items have been shown to him in the past but he has not seen anything that surpasses what is available to him on the West Coast. Canadian suppliers should note that they need permanent representation in California in order to sell to Hershey successfully.

ADAMS & BROOKS INC.

1915 South Hoover Street,
Los Angeles, CA 90007. (213)749-3226
Mr Robert Davis, Purchasing.

Adams and Brooks manufacture butter toffee and cocktail nuts. The company operates one plant in Los Angeles and employs 100 people. Mr Davis advised that he could be interested in Canadian materials. The company packs its toffee and nuts in cellophane (pre-printed) bags and cans. Suppliers should send literature and samples to Mr Davis.

ANNABELLE CANDY CO.INC.

27211 Industrial Blvd.,
Hayward, CA 94540. (415)783-2900
Greg Shrimps, Purchasing.

Annabelle Candy produces a number of brand name candies in its Hayward plant including Rocky Road, Big Hunk and chocolate bars. The company's products use candy wrappers and chipboard shipping cartons. Mr Shrimps could be interested in looking at new sources. Canadian suppliers should send literature and samples before making an appointment.

Candy Manufacturers

SEE'S CANDY SHOPS INCORPORATED

210 El Camino Real,
South San Francisco, CA 94080. (415)761-2490
Mr Jack Stirling, Corporate Purchasing.

Los Angeles Headquarters,
SEE'S CANDIES INC.

3423 South La Cienega Blvd.,
Los Angeles, CA 90016. (213)870-3761
Mr Dave Harvey, Purchasing Agent.

We spoke initially to Mr Stirling in San Francisco. Mr Stirling is mainly interested in raw materials and all packaging material purchasing is handled by Mr Harvey in Los Angeles. The company's requirements are relatively simple consisting of pre-printed white paper bags and chip board pre-printed set up boxes. To date the company has purchased its requirements exclusively on the West Coast.
See's Candy employs around 3,500 people in California and sells its Candy exclusively through its own chain of stores.

KAY CANDY CO INC.

4535 South Soto Street,
Los Angeles, CA 90058. (213)585-5362
Mr Jim Griffiths, Purchasing Officer.

Mr Griffiths advised that his company sees its business as being largely seasonal. For this reason delivery times are a major factor. The company purchases its materials on a weekly basis, taking advantage of "on the spot buying". For this reason prices of the "Medium grade candy wrapping" the company purchases varies from one month to the next depending on the amount purchased. Mr Griffiths would be interested in talking to Canadian materials suppliers who should make a phone call before setting up appointments. The company employs 120 people and has sales in excess of $3 million P.A.

WERTZ ALLEN CANDIES

3070 Los Feliz Blvd.,
Los Angeles, CA 90039. (213)663-2296
Dolores King, Purchasing.

We spoke to Bob Kraft the plant manager. The company operates one plant in Los Angeles and three company owned specialist candy stores.
In addition Wertz supplies its bagged candies to selected supermarket chains. Wertz uses mainly cellophane bags with printed card closures.

Candy Manufacturers

WERTZ ALLEN CANDIES Continued ....

The company purchases its cellophane requirements locally, generally buying six months supply at one time. Closure cards are printed in the Eastern U.S. through brokers or manufacturer's representatives. Interested Canadian suppliers should send details of any new innovations to the purchasing officer.

GHIRADELLI CHOCOLATE CO.

Division of Golden Grain

1111-139th Avenue,
San Leandro, CA 94578 (415)483-6970
Mr. Reg Hutchinson, Purchasing Agent

Ghiradelli Chocolate produces a range of deluxe bar wrapped chocolate as well as cocoa in its San Francisco plant. Mr. Hutchinson advised that the company obtains the bulk of its printed wrappers and foils on the West Coast. He said, however, that he is interested in anything new or innovative in the chocolate packaging business and welcomes enquiries.

Toy Manufacturers

MATTEL INC.

5150 Rosecrans Ave.,
Hawthorn, CA 90250 (213)962-4471
Mr. Dan Russo

Mattel is one of the nation's top toy manufacturers, employing in excess of 16,000 people. The company produces dolls, games, crafts and hobbies, models, and other assorted toys. The company is also involved in publishing and printing. The company has not purchased packaging materials overseas unless it is to package a specific product made at that location. Mr. Russo's main concern is that the lead time involved in four colour printing can be very short and he feels this could be a problem. He is, however, interested in looking at new techniques for packaging the often irregular sized and shaped range of products that Mattel manufactures. He suggested that material suppliers in Canada could approach the purchasing personnel of Mattel Canada Inc. 800 Islington Avenue, Toronto, Ontario, M8Z 4N7, telephone: 416-2525192. to obtain a reaction before contacting him in Los Angeles.

Toy Manufacturers

REVELL INC.

4223 Glencoe Avenue,
Venice, CA 90291 (213)870-7651
Mr. Kenneth Rezutko, Purchasing Agent

Mr. Rezutko advised that Revell has only purchased specialty items such as decals outside California when there has been no local supply available. In most instances,the company purchases four colour cartons and plain cellophane overwrap locally. Mr. Rezutko is, however, interested in any new material that would apply to his product. Revell produces plastic kit-set models.

Toilet Preparations, Detergents, Cosmetics.

COLGATE PALMOLIVE

300 Park Avenue,
New York, NY 10022. (212)310-2000
Mr Richard Hansen, Director of Puchasing.

Colgate Palmolive currently concentrate on detergents, soaps, and toothpaste. Last year the Corporation sold its Helena Rubenstein subsidiary. Colgate have so far not purchased any packing materials directly from Canada. Mr Hansen advised that he has a multitude of local suppliers vying for the Corporation's packaging business but despite this he would welcome approaches from reputable Canadian sources. The business is mainly in the form of set-up printed cartons. Interested suppliers should write to Mr Hansen enclosing some samples of their work. Colgate buys in substantial quantities for their US national market. Quality, accuracy and dependable deliveries are essential.

HELENA RUBENSTEIN

55 Hartz Way,
Secaucus, NJ 07094. (201)867-1700
Mr Bob Geller, Purchasing Agent.

Helena Rubenstein operates factories in the U.S, Europe, and South America. All corporate purchasing of packaging materials is controlled from the Corporate Offices in New Jersey. Mr Geller advised that he is constantly being contacted by potential·suppliers from all over the world and that he is always open to new sources. The main potential business for Canadian suppliers is high quality individual set-up boxes for the company's cosmetic lines, and labels. Mr Geller has dealt with Canadian printers in the past and has found pricing, quality and deliveries to be satisfactory. Canadian companies should initially call Mr Geller for an appointment.

LEVER BROTHERS CORPORATION

390 Park Avenue,
New York, NY 10022. (212)688-6000
Mr Harold Gorschman, Purchasing Manager,
Merchandising aides and flexible packaging.

Lever Brothers operate several plants in California. However all materials purchasing is handled at the corporate level in New York where national supply contracts are issued. Canadian suppliers should write to Mr Gorschman with details of the services they are offering.

Toilet Preparations, Detergents, Cosmetics.

WOODARD VIVIANE CORPORATION.

Subsidiary of Woodard Laboratories.

7712 Densmore Avenue,
Van Nuys, CA 91406. (213)989-5818
Ms Betty Mullen.

Woodard Viviane produce cosmetics under their own label for private distribution to domestic consumers.
The company purchases its packaging materials mainly through printers' representatives and much of it comes from the Eastern U.S. Ms Mullen is interested in hearing from Canadian sources capable of providing medium quality printed set-up cartons for cosmetics.

AVON COSMETICS

Corporate Headquarters:
9 West 57th Street,
New York, NY 10019 (212)546-7536
Ms Valerie Nott, Purchasing

California Plant:
2940 East Foothill Blvd.,
Pasadena, CA 91121 (213)578-8000

Avon Cosmetics is a world wide organization which produces cosmetics exclusively for distribution through the home. Avon's California plant does not directly purchase any packaging materials. All materials are purchased for U.S. operations through the corporation's headquarters in New York. Ms Nott maintains strong connection with the corporation's Canadian plant. She advised that new ideas for packaging often come from Avon Canada and that the corporation's policy is to pool packaging developments from all its plants. The corporation is always interested in new material suppliers and Ms Nott suggests that Canadian sources who have not dealt with the corporation should contact Avon in Canada in the first instance. Avon Canada Inc.'s address is 5500 Trans-Canada Highway, Pointe Claire, 730, P.O. Box 8000, Pointe Claire, Dorval, Quebec, H9R 4R3.

PROCTOR & GAMBLE MANUFACTURING CO.

Corporate Headquarters:
P.O. Box 599,
Cincinnati, OH 45201 (513)562-1100

California Plant:
1601 West 7th treet,
Long Beach, CA 90813 (213)432-6982

Toilet Preparations, Detergents, Cosmetics

PROCTOR & GAMBLE MANUFACTURING CO. Continued....

Proctor & Gamble operate a plant in Los Angeles which produces soaps, shortenings, and cooking oils. We were advised that all packaging materials are purchased through the company's headquarters in Cincinnati. The plant in California does pack but draws its requirements from nationally purchased stocks. We spoke to Mr. John Littlehale who is the manager of packaging materials for soap products. The company uses a wide range of packaging materials ranging from plastic jugs and cartons for detergents to wrappers for bar soap. All materials are purchased on a national contract basis by a wide variety of suppliers located throughout the U.S. Mr. Littlehale would be interested to hear from Canadian suppliers with experience in the type of materials he purchases. The company's crisco brand packaging is handled by Mr. Hawkins who is the manager for packaging for food products. Canadian companies should contact Mr. Littlehale or Mr. Hawkins. Other lines produced are Crest toothpaste, Pampers diapers, and Duncan Hines products.

MAX FACTOR & CO.
Subsidiary of Norton Simon Inc.

1655 North McCadden Place,
Hollywood, CA 90028 (213)462-6131

East Coast Plant:

P.O. Box 1229,
Oxford, NC 27565 (919)693-0200
Jim McCain, Purchasing Agent

The Max Factor Company operates three plants in California, employs 8000 people and produces a large range of cosmetics and toiletries. Despite the fact that corporate headquarters for this company are located in California all packaging material purchases are instigated by the corporation's plant in North Carolina. Mr. McCain is not interested in new suppliers in the immediate future but sees potential in the long term.

E.R.SQUIBB & SONS INC.

Head Office,
P.O.Box 191,
New Brunswick, NJ 08903. (201)545-1300
Mr Gerry Forte, Purchasing, Packing Materials.

Los Angeles Distribution Center,
14447 Firestone Blvd.,
La Mirada, CA 90638. (213)628-2235

Toilet Preparations, Detergents, Cosmetics

E.R.SQUIBB & SONS INC. Continued

The Squibb Corporation manufactures injectable diagnostic liquids, radio opaque materials, ointments, creams, and vitamins in tablet & capsule form. The company is presently planning to move into cardiovascular materials in tablet and capsule form. The company uses the following primary packaging materials: Glass bottles (Types 1, 2, & 3), Plastic bottles, metal squeeze tubes, blister packaging, and fiberboard cartons.

Major suppliers are: Glass- Weeton & Kimble; Metal tubes- Peerless and Teledyne; Blister Packaging Materials- American Can; and Plastics- Kimble Bemis, Imco, Teledyne, and Monsanto. The company obtains its secondary materials which are mainly corrugated containers from Federal Paperboard, and Meyers Co. Squibb operates a regulated purchasing system and buy materials according to demand. They usually find that laminated materials take up to 14 weeks for delivery whilst they are able to get deliveries of corrugated materials within 3 weeks. The company purchases all its materials pre-printed. Mr Forte considers that there are opportunities for Canadians in the primary containers area, even though there is no shortage of suppliers and there may be FDA (Federal Drug Administration) filing requirements. Squibb test all new materials they purchase extensively in their laboratories for stability, etc.

Interested Canadian suppliers should contact Mr Forte.

ALPHA THERAPEUTIC CORPORATION

A subsidiary of the Green Cross Corporation
of Japan.

5555 Valley Blvd.,
Los Angeles, CA 90032. (213)440-0800
Mr John Summers, Purchasing.

This company produces blood plasma and injectibles for hospitals. The blood is collected at donor centers. The company currently uses glass bottles for 95% of its production but is expecting to move to plastic containers in the near future. Sizes used are 50 ml - 500 ml. Other materials are chipboard containers and corrugated shipping cartons. There are possibilities here for Canadian suppliers who are involved with packaging technology for artificial plasma.

PARKE-DAVIS

A Division of Warner Lambert

Headquarters,
Warner Lambert/Parke-Davis Division,
201 Tabor Road,
Morris Plains,NJ 07950. (201)540-2761
Mr Dave Greenwood, Mr Stewart Bolton (Asst.)

PARKE-DAVIS Continued....

Los Angeles Distribution Center,
5335 East La Palma Avenue,
Anaheim, CA 92806. (714)779-5170

All materials purchasing decisions for Parke-Davis are made at the corporation's head office in New Jersey. We spoke to Mr Dave Bortell in the corporation's packaging development division and to Mr Stewart Bolton who is the assistant packaging engineer. We were advised that the corporation is planning to expand into sterile and aseptically packaged products. The corporation has already purchased Canadian packaging machinery and were very impressed by Canadian professionalism. For this reason, companies who are capable of producing any of the following materials should contact Mr. Bolton; small molded vials, 2 cc - 70 cc, single piece safety closures for liquids, low cost dispensing closures for liquids, glass syringe barrels, rubber products, and aseptic or other sterile packaging materials.

Mr. Bolton listed Riekes Containers (Texas), Texberry Containers (Texas), Penn Glass (New York), and J. Rubinowitz (New York) as major materials suppliers. Mr. Bolton stressed that quality is vital in the pharmaceutical business but said his previous experiences with Canadian companies have convinced him that Canadian material suppliers could be most successful.

ALLERGAN PHARMACEUTICALS

P.O. Box C. 19534,
2525 Dupont Drive,
Irvine, CA 92713 (714)752-4500
Mr. John White, Purchasing

Allergan produces prescription drugs and pharmaceuticals and is concerned with all phases of packaging including shrink wrapping and cartoning. Kryovac, Renolon and Hercules were mentioned as regular suppliers. Most packaging materials are supplied from the Eastern U.S. and the company purchases its materials on a monthly contract basis. Film quantities can consist of two hundred rolls of five different widths. A four to six week delivery cycle is usual. Allergan is currently cutting down on its supplier list.

Electronics - Miscellaneous

CAPITOL INDUSTRIES - EMI INC.

1750 North Vine Street,
Los Angeles, CA90028 (213)462-6252
Mr. Grant Thompson, Director of Purchasing

We discussed the possibilities of providing packaging materials for prerecorded cassettes and records with Capitol. Materials consist of printed liners for the cassettes and high quality record sleeves for the phonogram records. The company currently produces cassettes and records in Jacksonville, Florida and Winchester, Virginia. Capitol has worked with Canadian converters and mentioned one company as a successful source. Generally, the company buys on a mixture of quality and price. Mr. Thompson would be pleased to hear from potential suppliers who should write directly to him outlining their services and including samples. It is likely that new suppliers from Canada would be first asked to submit samples to Capitol's Canadian subsidiary whose address is as follows: Capitol Records - EMI of Canada Limited, 3109 American Drive, Mississauga, Ontario, L4V 1B2, telephone: (416)677-5050.

THE TANDY CORPORATION

P.O. Box 4727,
Santa Clara, CA 95054 (408)987-0241
Mr. Ron Barker, Purchasing Manager

Tandy recently purchased the consumer products and magnetic tape division of Memorex. The company is interested in quotes for printed poly film overwrappers, blank printed liners, and printed poly outer bags. Mr. Barker advised that the company generally purchases one million impressions per product on the average of every three months. Tandy handles a large variety of items; we were specifically discussing cassettes. Tandy buys most of its packaging products slit to machine width. Mr. Barker welcomes Canadian enquiries but stressed that suppliers must be capable of meeting strict delivery deadlines. He is concerned about the distance if technical problems arise and stressed that suppliers should maintain sales representatives in the area.

ALLIED RECORDING COMPANY

Subsidiary of Warner Communications Company.

6110 Peach Tree Street,
Los Angeles, CA 90040 (213)725-6900
Mr. Bob Goldman, Plant Manager

Allied is principally a service manufacturer working for the recording companies producing phonogram records and cassettes. Mr. Goldman advised that his company uses only cassette liners and record covers supplied by his recording company clients. Mr. Goldman advised that Canadian companies should contact the recording companies direct.

Electronics - Miscellaneous

EASTMAN KODAK COMPANY

Head Office:
Kodak Park Division,
1669 Lake Avenue,
Rochester, NY 14650 (716)458-1000
Mr. Linwood Drummond, Purchasing Director

Head Office, Kodak Apparatus Division:
901 Elm Grove,
Rochester, NY 14650 (716)724-4000
Mr. Charlie Ross, Director of Purchasing

Eastman Kodax operates a number of offices and plants in California. These are basically distribution centers for products made outside the State. We talked to the Eastman Kodak Head office in Rochester, NY and were advised that the corporation's two main divisions which are concerned with packed products are the Kodak Park Division which produces and packages film and film products and the Kodak Apparatus Division which produces and packages cameras and other equipment.

Kodak Park; Most Kodak film is packaged in pouches using the form, fill and seal method. Kodak engineers are constantly looking for new and more viable film structures for packaging and are interested in any technical advances which will increase shelf life etc. Canadian manufacturers should write to Mr. Drummond who will provide them with full details on the company and who they should talk to.

Kodak Apparatus; Although Kodak have their own printing plant, setup box manufacturing facility and injection molding plant, they do buy in packaging material in addition to their own production. The company has worked with at least one flexible packaging manufacturer in Toronto. Interested Canadian suppliers should contact Mr. Ross.

REAL FRESH INC.

P.O.Box 1551,
1211 East Noble,
Visalia, CA 93279 (209)627-2070
Mr Lloyd Cooper, Purchasing.

Real Fresh produces aseptically packaged milk, juices,soup, puddings, cheese, and sour cream. The company markets its products nationally, and is a major military supplier. In addition Real Fresh exports a good percentage of its production of canned and brik-Pak aseptically packaged milk. Mr Cooper advised that the company has been supplying sterilized food products for the last thirty years but commenced aseptic packaging two years ago. The company has a Brik-Pak machine on lease and is locked in to supply of Brik-Pak produced paper containers which are

REAL FRESH INC.Continued ....

currently made in the Netherlands. His company regards itself as a leader in the aseptic packaging field and was the first U.S. food producer to adopt the Brik-Pak system. Mr Cooper is interested in anything which would effectively increase the shelf life of his company's products, whether on the materials or equipment side.

Mr Cooper also advised that the company expects an effective eight month shelf life from Brik-Packed milk. Brik-Pak are currently setting up their own plant in Texas which should be in operation by 1985. International Paper are also working on an aseptic paper system.

4.1 SUMMARY OF MANUFACTURER END-USER INTERVIEWS

In selecting the manufacturers we interviewed for this study we were very much aware that our selection could only cover a very small percentage of the 45,000 manufacturers operating in the State. Our choice was based on those industries which appeared to offer the best prospects to Canadian suppliers. For that reason the majority of companies we interviewed were involved in the food, beverage, wine, cosmetics, and pharmaceutical industries. Previous experience in preparing a study on potentials for Canadian packaging machinery exports to California showed that the aerospace and electronics industries, which are generally regarded as California's major growth industries, do not offer packaging materials suppliers substantial prospects. It is apparent that Canadian suppliers seeking orders in California should concentrate on traditional packaging markets unless specific markets can be recognized from the listing of major California industries presented in Table 3.4(1).

A summary of the most significant information obtained from the interviews is as follows:-

- There is a definite move towards more sophisticated consumer oriented packaging in the food industries. This can take the form of improved graphics and printing, the use of metallized film or paper or more elaborate structures. (A number of California food companies use metallized film).
- Most food manufacturers considered flexible converted structures to offer the best growth potential in the materials side of the industry, for the

foreseeable future. There is a great deal of interest in improved structures which can increase shelf life and reduce costs. Food manufacturers will be happy to look at Canadian innovations.

- Manufacturers generally look to the film producer to provide the lead in new structures; but they are constantly evaluating new materials.

- Companies which regularly purchase materials outside the State are not concerned by the prospect of added freight costs, but companies which have only purchased locally feel that freight could make Canadian materials too expensive.

- A consensus of manufacturers agreed that the California packaging materials industry's output in more sophisticated areas tends to be limited and implied that there are not a great number of producers able to provide large quantity runs involving complex printing and development work. Many California manufacturers traditionally look for this work in Chicago or New York.

- A number of California food manufacturers are currently in the process of consolidating, merging etc. This process has resulted in the closure of a number of plants and can sometimes lead to shifts in central purchasing locations.

- Most California manufacturers in all fields stressed the importance of holding stocks locally and maintaining adequate local representation.

Most of the larger materials producers and converters operate through their own sales staff in the State.

- Price for representative quality is universally recognized as the most important element in materials purchasing by all manufacturers. Most companies contacted stressed that quality and service are also important elements in their relations with suppliers.

- A number of manufacturers stressed that they were happy with their existing suppliers and not prepared to change. Most of the larger companies however put their annual requirements out to bid and are always open to new sources. Information on the timing for bids varies with each company but purchasing agents in the various companies will always release this information to suppliers.

- Generally, it will be necessary for Canadian companies to supply manufacturers with adequate introductory information and samples before they will be considered for the bid list.

- A number of the larger companies operating in the State have subsidiary or affiliated companies operating in Canada. Most of these companies felt that it would be advantageous for Canadian suppliers to introduce themselves to their Canadian subsidiaries and request that information be forwarded to U.S. purchasing personnel before contacting the U.S. companies direct. A good recommendation from a Canadian colleague will always carry a lot of weight.

- A number of the California companies contacted have their corporate headquarters outside California, usually in the Eastern U.S. In these cases, we talked to the corporate purchasing staff in the belief that the information would be of assistance to Canadian materials suppliers.

- Many smaller companies purchase materials according to need, either on a regular or irregular basis. We believe it will be necessary for Canadian suppliers to maintain stocks of materials in the market area, specifically if basic materials such as plain film are concerned.

- Payment terms appear to be standard in the materials industry with nett payment at 30 days and a 1% discount for each ten days, (less than 30 days).

- A number of the larger California food manufacturers operate their own materials manufacturing facilities. These generally consist of glass bottle, plastic container, and can manufacturing, or expanded foam products plants. We do not view this participation in materials as a major bar to Canadian exports.

- Companies are concerned that quality control and communications could be a problem when dealing with new Canadian sources. It will be necessary for Canadian companies to demonstrate that they are capable of superceding existing supply sources through more advanced technology, reduced costs or improved service, or a combination of these.

- Some manufacturers said that their material requirements lead times are often very short and this reinforces the idea that local stock holding would be necessary in order to adequately service a number of industries.

- California and U.S. companies which have dealt with Canadian suppliers have a high regard for Canadian abilities and skills.

- Crown Zellerbach was considered to be the leading West Coast flexible material supplier by many companies.

- There is an all-round interest in aseptic and flexible pouch packaging of all kinds.

- Some U.S. packaging materials suppliers mentioned by California manufacturers are: Weyerheuser, Olin, Owens Illinois, Dupont, W.R.Grace (Cryovac), St. Regis, Crown Zellerbach, Malnose, ICI, Lily, Milprint, Sealrite, Diamond, San Joaquin Packaging, Kerwood, Printpak, Exxon, H.S. Crocker, Texberry Containers, Penn Glass, Reynolds, and Hercules.

5.0 RETAIL PACKAGING OVERVIEW

Retail packaging preferences in California conform closely to U.S. national patterns. A brief survey of department store, supermarket, and specialty store chains revealed the following information:-

Department Stores:

The quality and number of items purchased varies with the image the department store chain in question projects. California department stores seem firmly committed to paper merchandise bags which are usually printed in one colour and available in a variety of sizes. The number of sizes ordered depends on the particular chain. One or two chains have tried plastic merchandise bags but have reverted to paper. Quantities of bags used annually can range from 10 - 30 million depending on the number of stores in a particular chain.

California department stores also use folding boxes. The quantity, number of sizes, and quality again depends on the individual store's marketing philosophy. Boxes are fairly sophisticated in design and are generally printed in a maximum of two colours; some chains use embossing with a single colour. An indication of the quantities involved can be obtained from the small selection of interviews which follow.

Other commonly used materials include one colour pre-printed wrapping tissue, pressure sensitive seals, and seasonal packaging such as, Saks Fifth Avenue's Christmas calendar shopping bags.

Whilst most department store chains purchase their materials in large annual quantities, the majority are only prepared to hold a maximum of thirty days stock and will only purchase from suppliers who are able to provide comprehensive drop-shipments, as required. The May Company is an exception to this rule and is prepared to take bulk delivery of some of its packaging for instore distribution.

Canadian manufacturers will find it difficult to compete unless they are prepared to establish distribution facilities in the market area. On the plus side, Canadian manufacturers may find that the larger retailers are prepared to enter into contracts for extensive periods (one company mentioned three to five years), and this may provide the incentive to pursue retail packaging. Price escalation clauses are generally regarded as normal in contracts of this nature.

Supermarkets:

Our survey of supermarket packaging requirements indicated that most California chains are still firmly entrenched in paper sacks. One or two chains are experimenting with plastic merchandise bags and use plastic as an option, which is offered to the customer at the cash register. Most markets use smaller sized plastic bags to isolate frozen products from the bulk of the shopping. Major suppliers of retail and supermarket packaging on the West Coast are St.Regis, Williamette Industries, and Champion. Competition is intense for supermarket business and Canadian manufacturers will find it difficult to break into this area.

Specialty Stores:

California specialty store chains use a wide variety of plastic and paper packaging. Their needs are compeitively provided by the profusion of smaller sized converters operating in Northern and Southern California. We believe that specialty store business will only be practical if Canadian suppliers establish distribution facilities in the market area. Initial business should be based on larger retail customers; packaging for smaller retailers can be procured once a firm business base has been established.

Retail Packaging Users

THE SOUTHLAND CORPORATION

Operators of the U.S. nationwide and the Canadian
chain of SEVEN-ELEVEN convenience stores.

Corporate Offices,
2828 Haskell,
Dallas, TX 75204. (214)828-7011

The Corporation operates 1500 Seven-Eleven stores in California with a national total of around 9000 stores. The Corporation has been very selective in adding unnecessary consumer packaging. At this time the Corporation buys printed hot and cold drink cups (paper) in a variety of sizes, napkins, some dairy items, blister and shrink film for sandwich packaging. Purchasing personnel concerned with these items for national distribution are:

Roger Mercer, cups & napkins (214)828-7842; Charles Boulter, dairy packaging (214)828-7319; and Jim Finch, sandwiches (214)828-7909.

Southland corporation is currently purchasing a part of its national requirements for drink cups from a Canadian source. Additionally the Corporation operates store chains in Japan, Hong Kong, and England. Interested Canadian suppliers should contact the buyers listed above.

MUSIC+PLUS

2551 South Alameda Street,
Los Angeles, CA 90058. (213)234-3336
Mr Lew Campbell.

Music+plus operates a chain of retail record and tape stores in Southern California. The company buys plastic merchandise bags in two sizes. Quantities involved are 1 million large (record size) and half million small size (for tapes). Mr Campbell advised that he generally purchases on an annual basis direct from a Southern California converter. He would be interested in seeing how competitive Canadian sources can be.

Retail Packaging Users.

ROBINSON'S DEPARTMENT STORES

600 West 7th Street,
Los Angeles, CA 90017. (213)488-6819
Mr Jerry Hildebrand, Purchasing Manager.

Robinson's is one of California's leading department store chains. The company operates twenty-one stores mainly located in Southern California. All of Robinson's consumer packaging is of a high quality. The company generally purchases from suppliers who are able to drop shipments reliably to all stores and also handle stock. The company purchases all items it uses on an annual contract basis and items are put out for bids.

Robinson's annual requirements are roughly as follows:

Paper Merchandise Bags, six sizes. Total quantity ten million units.

Gift Boxes set up type, up to twenty sizes. Total quantity two million units per annum.

Gift & Regular overwrap No details available.

Interested Canadian suppliers should contact Mr Hildebrand. The company purchases materials all over the U.S.

BROADWAY DEPARTMENT STORES

Member of the Dayton Hudson Group.

3880 North Mission Road,
Los Angeles, CA 90031. (213)227-2126
Mr Woodward, Purchasing Manager.

The Broadway operates forty stores in Southern California plus a further thirty-five stores located in Arizona, Nevada, New Mexico, Utah, and Northern California. The company's current main suppliers are the Longview Fiber Co. in Washington State, and the San Diego Paper Co, in San Diego California. Mr Woodward stressed that suppliers must be prepared to handle drop shipments to all seventy-five stores and that the company is only prepared to hold at the most thirty days stock of all items at the individual stores.
On the plus side the Broadway is prepared to issue three to five year contracts for key materials. The Broadway buys merchandise bags in up to fifteen different sizes and has a total annual requirement for thirty-four million bags. The company uses between forty and fifty different sized gift boxes (set up type) and has a total annual requirement for four million boxes. The company tried plastic merchandise bags but found them unsatisfactory.
Interested suppliers should contact Mr Woodward for details for bidding.

Retail Packaging Users.

MAY COMPANY DEPARTMENT STORES
Member of the May Department Store Group.

3447 South Grand Avenue,
5th Floor,
Los Angeles, CA 90007. (213)741-3941
Mr Don Woodworth, Purchasing Manager.

May Company in California is a part of the nation wide May Stores Group which is headquartered at the Famous Barr Department Stores in St Louis, Missouri. Each division purchases some consumer packaging items independently but most major contracts are let out by Famous Bar in order to take full advantage of the group's purchasing power.

The May Company in California uses four paper bag sizes together with gift boxes and overwrapping. May Company takes delivery of its merchandise bags in truck loads and distributes to the individual stores from central warehouse locations. All other items however must be delivered on demand to the company's individual stores by suppliers. Canadian companies can contact Mr Woodworth at May Co in Los Angeles or Famous Barr direct. The address for Famous Barr is given below.

FAMOUS-BARR DEPARTMENT STORES

601 Olive Street,
St Louis, MO 63101. (314)444-3111
Mr Dick White, Purchasing Manager,
Corporate Purchasing.

This is the purchasing headquarters of the May Department Store Group.

BULLOCKS DEPARTMENT STORES
Member of the Federated Department Store Group.

P.O.Box 2788,
La Habra, CA 90631. (213)694-2011
Ms Mary Pardon, Purchasing Manager.

Bullocks operate twenty-four stores located mainly in Southern California. The company is a high end retailer and utilizes a full range of merchandising bags, set up gift boxes and overwrapping. Interested Canadian suppliers should contact Ms Pardon to obtain deatils for submitting bids.

6.0 DISTRIBUTION CHANNELS AND METHODS

One of the main objectives of this study is to determine the best selling and distribution methods for Canadian packaging materials producers who wish to sell their products in California. From the responses made by Canadian producers at the outset, we were able to divide the materials being offered into three categories as follows:

Non-converted materials--including plain plastic film of all types (shrink, stretch, blister, etc.), non-converted metal foils, and paper wrapping.

Converted materials--this category includes the whole range of converted flexible packaging, all combinations of film, paper, and foil materials in roll or completed structure form, for constructing packages or overwrapping. Labels of all kinds and folding paperboard boxes.

Other packaging--this category includes any other non-flexible materials which offer market potential for Canadian producers. For example, glass containers and closures.

It is apparent that distribution channels and selling methods used for the two main categories are radically different. For this reason, it is necessary to examine them separately.

6.1 NON-CONVERTED MATERIALS

Research showed that the majority of U.S. film producers are trying to sell on a volume basis. The recessed market has left them with large stocks of raw materials which they need to reduce. Most U.S. manufacturers sell their basic films through distributors on the West Coast. Five major U.S. companies operate film extrusion plants in California; these companies are Mobil, Goodyear, St. Regis, Consolidated Thermoplastics, and, Golden West Plastics. A further two manufacturers are planning to open extrusion plants in California during the next eight months. Film makers and converters, however, advise that sales are often initiated by the material producers themselves. The president of the California Film Extrusion and Converters Association stated that it is common practice in the industry for companies to write business on behalf of their distributors. It would appear that many distributors perform a caretaking function where large accounts are concerned but are valuable to film makers because they are able to penetrate smaller customer markets. Currently only one film maker sells direct on the West Coast.

We were advised that the nature and size of general manufacturing in California and in the Western States has made the distributorship system necessary. Whilst the State has its share of major manufacturers, the larger proportion of manufacturing companies are relatively small. Although California's total consumption of film is impressive, it is not possible often to move volume tonnage directly from the producer's mill to the manufacturing customer. The overall manufacturing situation in California is entirely different than in other parts of the Eastern U.S. where whole areas are recognized as production centers for one commodity only. Often the leading producers in these areas can purchase film in huge volumes.

For the reasons outlined above, the major U.S. producers are faced with two alternatives; they must either maintain their own West Coast central warehousing or persuade local and regional distributors to hold stocks.

Discussions with West Coast distributors in Northern and Southern California indicate that the majority are not interested in taking on new film sources at this time. Mr. Harry Krigsman of H.S. & Associates is an exception. H.S. & Associates hold stocks of shrink and stretch film which they currently purchase from manufacturers in the midwestern U.S. H.S & Associates are primarily machinery distributors and stock materials only to provide service to their customers. H.S. & Associates could be interested in new film sources providing the supplier is prepared to meet the cost of holding inventory in California and also providing the supplier is prepared for the build-up of sales to take some time.

Mr. Krigsman discussed possible distribution of film in California with a Canadian company recently. He found the Canadian attitude unrealistic in today's market. Mr. Krigsman advised that Canadians must realize they are "the new boys on the block in an over supplied market", and that Canadians should plan their market strategies accordingly. We believe that Canadian manufacturers will make very little progress with established distributors, most of whom generally carry three brand names in film; these are Cryovac, Renolon, and du Pont. Our interviews with distributors indicate that their margins are currently well down because of the over supply situation. At this stage, 7½ percent appears to be common. Canadian companies who are seriously considering the West Coast or U.S. film market will find it necessary to reduce their margins in order to be competitive and may find distributors interested if they are able to offer them 10 percent or more.

An encouraging note is that California film producers and converters are actively interested in the possibilities offered by linear low density polyethylene and also by co-extrusion. CFECA members may offer Canadian producers one of the best avenues to export in California and the Western U.S. The CFECA has eighty-seven active members and we understand that some of them may be open to inter-company cooperation. Details of the association are given in the Appendix. A list of some of the distributors we contacted is given at the end of this section.

6.2 CONVERTED MATERIAL

Prospects appear encouraging for Canadian producers of flexible converted packaging materials. Research showed clearly, however, that there is no simple solution to obtaining immediate, effective representation in California. Converted flexible packaging materials are almost always produced against a specific order. For this reason, it is not possible to employ a distributor in the accepted sense.

Most potential customers we interviewed indicated that Canadian suppliers can only expect to be successful if they maintain an adequate level of representation in the market area. There is no comprehensive directory of independent sales representatives for flexible packaging materials. Representatives are not to be found easily. As a general rule, flexible packaging representatives tend to include a wide portion of the Western U.S. in their territory. It is not uncommon in include all eleven Western states. Further, trade sources indicated that there are very few first rate specialists available.

The three alternatives to be considered when selecting the best type of representation for a particular product are--directly employing a sales representative for California and other portions of the Western U.S. (California would provide the nucleus of the sales territory); finding a suitable free-lance commissioned representative; or, working with a California packaging company to mutually increase sales and share the services of a sales force.

Some information on representatives is available from trade directories, for example, Package Engineering magazine publishes an annual buyers guide. Discussions with representatives indicated that the best method may simply be to ask potential manufacturer customers for a list of the best service representatives they know and to follow up these leads. We found that many of the established individuals or representative companies do not advertise at all. They already have a reputation in the market place and customers know where to find them. An alternative method is to advertise in the trade press. Canadian producers should be prepared to take time and allocate sufficient funds to enable them to locate the best representation for their particular product.

Research showed that representatives tend to specialize in certain types of packaging, for example, food, soft drink, bakery, etc. The representatives we interviewed, however, were interested in the possibility of extending the range of products they sell particularly if Canadian products are compatible. Most representatives are not involved in holding stocks. It is apparent that the salesman's commission varies on a product by product basis. For example, representatives consider that 5% - 8% is normal for converted packaging, 3% - 5% for corrugated products, 7% - 8% for paperboard cartons, and, 5% for glass containers and closures. Naturally, Canadian suppliers should consider the advisability of increasing commission percentages in the early stages of marketing. The alternative is to provide adequate market support in the form of advertising or sales promotion. Representative organizations claim that it costs them approximately $100,000.00 a year to maintain a man in the field. A list of representative companies follows at the end of this section.

Other Packaging:

Representation for most other packaging products such as glass containers, specialized paperboard boxes, labels, and closures follows the pattern outlined above.

6.3 BROKERS

We interviewed a number of brokers during the course of the study. In the strict sense of the word, the broker stands between the client and the supplier. It is the broker's job to obtain the best price, quality of work, and level of service from the materials supplier. The broker obtains competitive quotes from a variety of supplier companies using his knowledge of the market and available supplies. The broker orders the work from the supplier he has selected, pays for it himself, and re-invoices the client, adding his own profit margin. We understand that there are only a small number of reputable brokers operating in California and on the West Coast. A number of these also act as representatives for out-of-state suppliers, for example, Herman Gronauer of Packaging Associates represents several companies including Inland Containers, Federal Paper, and Milprint. Some interviews with brokers are given at the end of this section.

Package Design and Development Firms:

There are a number of package design and development firms operating in California. Our discussions with potential customers indicated that many of them work with these specialists when developing new packaging concepts. Canadian companies may find it advantageous to call on these firms and supply them with details of their technical and production potential. As is the case with brokers, contact may lead to business.

In conclusion, the nature of the business available to Canadian flexible and converted packaging producers indicates that it will be necessary for them to locate selling specialists who are acceptable to potential customers and at the same time can provide the technical knowledge required to handle conventional materials and printing. Knowledge of the market and an established reputation are important factors when considering the selection of sales representatives.

6.4 INTERVIEWS WITH DISTRIBUTORS

Some interviews with distributors follow.

JAMES T. POWELL ASSOCIATES INC.

12016 Wilshire Blvd.,
Los Angeles, CA 90025 (213)272-9503
James H. Kinney.

Powell Associates acts primarily as a manufacturers' agent and occasionally as a broker. When acting as a broker the company carries its own paper. The company specializes in materials for the soft drink and beverage industries, but also has extensive knowledge in the bakery industry. Main items the company reps are caps and closures, glass bottles, cartons for six and twelve packs, and labelling. Powell are also the Western States exclusive agents for Imperial Cup. Mr Kinney advised that he is extremely interested in Canadian glass bottle imports, in addition to anything which has a bearing on the soft drink industry. He might also be interested in Canadian stretch and shrink film.

The company is widely known in the industry and does not advertise. Mr Kinney feels that he could offer Canadians with worthwhile products a first rate selling organization. He might also be interested in new products for the bakery industry. Powell Associates work closely with a representative company in Phoenix Arizona. Details are given below.

C.C.S. ASSOCIATES

4247 Thirty-Sixth Place,
Phoenix, AZ 85040. (602)243-7241
Brian Chase. (see above)

BLAKE MOFFIT & TOWNE (Division of Saxon Industries)

2600 Commerce Way,
Los Angeles, CA 90040. (213)723-5481
Mr Hewitt, Sales Manager.

Company is basically a materials and paper distributor. Stock lines include Renolon and Cryovac. Main customer areas are food, drugs, and agriculture. Company operates seventeen branches in California, Alaska, Washington, and Oregon. Company will be a good contact point for Canadian manufacturers.

TAVENER & BROWNE

1481 East 4th Street,
Los Angeles, CA 90802. (213)264-3580
Bill Tavener, President.

Tavener & Brown handle a variety of Cryovac, Renolon, and Surlyn films. Mr Tavener feels that the film market is exceptionally tight at present

TAVENER & BROWNE Continued.

He stated that strong Japanese selling efforts had produced negative results in the film field largely because U.S. manufacturers are prepared to undercut prices at all costs to maintain their sales.

COMPLETE PACKAGING SYSTEMS INC.

1918 Central Avenue,
South El Monte, CA 91733. (213)579-4670
Steve Madis, President.

Complete Packaging are primarily machinery distributors. They do represent Visual Thermoforming, a Canadian manufacturer, covering the eleven western states. Mr Madis stated that his company is also involved in some paper and film sales, mainly as a service to their machine customers. Mr Madis could be a good contact point for Canadian materials manufacturers.

WESTERN PACKAGING SYSTEMS

25055 Viking Street,
Hayward, CA 94545. (415)783-0101
Mr Dick Hill, Marketing Manager.

Western Packaging distribute duPont and Reynolds shrink film and Mobil stretch film. The company represents the Canadian machine manufacturer Langford. We talked to Frank Hemmel, who is head of sales at the company's Portland office who advised that Western are becoming increasingly interested in paper packaging. Western maintain offices in Portland, Seattle, Hayward, Los Angeles, and Salt Lake City.

DELMAR PACKAGING SALES INC.

P.O.Box 791,
Del Mar, CA 92014. (714)755-5200
Mr John Pfleiger, Packaging Consultant.

Delmar concentrates on packaging materials sales but also sells machinery. Main industrial groups served are the pharmaceutical, drug, cosmetics, and wine industries. Main packaging products sold are labels, shrink seals, tubing, and shrink and stretch film. The company is also involved in colour printing, up to seven colours. Mr Pfleiger is interested in reviewing possibilities with Canadian suppliers. His primary interests are shrink enclosures and extruded film products. Canadians should allow 10% - 15% commission on prices to stimulate initial interest. Likes Canadian companies.

ADVANCE ELECTRICAL SALES INC.

1661 Industrial Way,
Belmont, CA 94002. (415)592-4550
Jerry Hall.

Advance Electrical are mainly involved with a range of electrical materials which they produce and distribute. The company also sells a line of roll stock blister and bubble packaging and a range of packaging tapes. Advance would be interested to see Canadian tape and adhesive products.

ALTEC PACKAGING INC.

1400 Coleman Avenue,
Santa Clara, CA 95050. (408)727-9696
Steve Lang.

Altec are distributors for Cryovac materials. They handle Shrink, Stretch, and blister packaging materials.

PIERCE PACKAGING EQUIPMENT

217 South Claremont Street,
San Mateo, CA 94401. (415)342-8691

Pierce Packaging are primarily machinery distributors specializing in shrink packaging , heat sealing, and filling. They distribute Cryovac film to service the machines they sell.

DE VITO & ASSOCIATES

P.O.Box 629,
San Anselmo, CA 94969. (415)459-2150
Mr De Vito.

De Vito & Associates are packaging consultants who work nationally in the food and tobacco industries. Mr De Vito has worked extensively in Canada for the Imperial Tobacco Company. De Vito's practice includes a number of key California food companies;he is responsible for the development of new packages and is consequently interested in any new or competitive materials or techniques. He could be a good contact for Canadian materials producers.

WEST COAST PLASTICS EQUIPMENT

6122 Washington Blvd.,
Culver City, CA 90745. (213)870-7733
Mr Chuck Zimmerman, President.

Mr Zimmerman is closely connected with the California Film Extruders and Converters Association (CFECA). His business is primarily concerned with heat sealing and general plastics manufacturing equipment but he is a very good contact, very well connected and may be of assistance to Canadian materials manufacturers.

H.S. & ASSOCIATES

11933 Vose Street,
North Hollywood, CA 91605. (213)700-2500
Mr Harry Krigsman.

Mr Krigsman has had discussions with a major Canadian film producing company. He is interested in Canadian products. His major materials business is shrink and stretch films which he buys in car load quantities and sells from stock. He feels that Canadians will need to be aggressive and very price conscious to penetrate U.S. film markets in the foreseeable future Mr Krigsman is very interested in new materials sources particularly films which could compete with duPont and Cryovac brands, PVC materials, and polyolefins.

DAVID EVANS & ASSOCIATES

345 West Foothill Blvd.
Glendora, CA 91740. (213)963-6051
Mr David Evans.

Evans & Associates are primarily machinery representatives. The company represents a number of leading packaging machinery manufacturers among whom is Stackpole Phin, the Canadian labelling machinery manufacturer. The company offers complete line sales including materials handling and palletizing. Mr Evans is affiliated with a packaging materials distributing company and is actively interested in adding Canadian materials to the services he offers. He sees materials sales are logically connected to machine sales and in his opinion major materials contracts can be negotiated successfully at the time a new machine is installed. We recommend Mr Evans very strongly and beleive that Mr Evans will be a driving force in Canadian packaging sales in the Western U.S.

DIVERSIFIED GRAPHICS

4208 Lockwood Avenue,
Los Angeles, CA 90029 (213)660-6494
Mr Richard Abe.

Mr. Abe works more with package developers and designers (60 percent) than with industrial manufacturers (40 percent). He sees problems in turn-around time and in co-ordinating necessary changes to work as being the major problems facing Canadian converters and printers who wish to break into the West Coast market. He stressed that most of his work does not allow time to establish a reasonable working schedule. He did say, however, that he considers packaging to be the best area for Canadian companies to concentrate on in the first instances. Packaging is a "high-end" item and because it is expensive it is possible that Canadian firms might have a cost advantage. He suggests that Canadian suppliers investigate working with firms who are already established in the packaging field and he feels that the toy industry would offer Canadians some significant business. Currently, most toy makers are puchasing their packaging in Japan, Taiwan, and Hong Kong.

LAWRENCE ENTERPRISES

6424 Lankershim Blvd.,
North Hollywood, CA 91606 (213)980-5725
Mr. Lawrence

Mr. Lawrence listed American Telecommunications, Berger King, and Pioneer Chicken amongst his main clients. He specializes in handling incidental printed items necessary for the fast food business. Most of the printing work he organizes is obtained locally on the West Coast. He is interested in meeting with Canadian converters and printers but said that distance could be a problem particularly in the smooth running of a major printing job; (the time involved in obtaining proofs and colour separation).

PACKAGING ASSOCIATES

Suite 403, Gateway Building West,
Century City, CA 90067. (213)552-9400
Herman Gronauer.

Packaging Associates are brokers and manufacturers agents. Mr Gronauer has thirty five years experience in the industry and was a senior executive at Milprint (Phillip Morris) before leaving to start his own brokerage. The company represents several major converters and printers including Flemming Potter Labels, Inland Containers, and Federal Paper. One of Mr Gronauer's main customers is the Lawry Food Company (Los Angeles). He is interested in obtaining competitive quotes for Lawry's flexible pouch packages.

KLEIN DESIGN

2646 Lake Hollywood Drive,
Los Angeles, CA 90068. (213)460-1872
Dick Klein and David Kessler.

Klein Design and David Kessler are associates who offer a full packaging design service. Their practice is based largely on professional and private label cosmetics. The firm currently works for about eleven cosmetic companies including Max Factor. There have been major changes in packaging for both private label and professional cosmetics over the last few years. Today most manufacturers in these categories are changing their concept of packaging. They realize the need to offer products which sell because of attractive and identifiable packaging which will enable them to compete with the consumer brands.

The firm also works with clients in the home center products industry and the giftware industry. The firm has an innovative approach and is always looking for new materials and techniques.

Klein and Kessler should be of interest to Canadian converters and printers because of their expertise in working with new materials and their product knowledge. Klein and Kessler feel that the main printing and converting centers for specialty packaging products are located in Chicago and New York and that many West Coast packaging companies are not interested in solving problems associated with complex packages. On the West Coast it is often difficult to find suppliers who are interested in producing small to medium sized runs. For this reason many West Coast manufacturers are forced to purchase their packaging out of state. There are openings for Canadian suppliers who wish to compete on smaller and medium sized runs. Klein quoted Mattel as a leading example. When Mattel commenced business printers were not interested in the test size runs involved. Today the company has sales of over $100 million.

Klein and Kessler are experts in the legal aspects of packaging and labeling. The firm is extremely interested in meeting Canadian suppliers.

ROTO-LITHO INC.

1827 East 16th Street,
Los Angeles, CA 90021. (213)749-7551
Mr Rusty Burkett.

Roto-Litho is a printing brokerage firm which offers a full range of services and maintains full accountability between the client and the converter or printer. The company has been in business for over thirty years and has an impressive client list. We were recommended by.Lawry's Foods and Star Kist (Tuna Canners) who both use the company's services extensively. Roto-Litho work with printing plants across the U.S but have had no practical experience with Canadian printers. Mr Burkett is interested in learning more of Canadian potential. Several of the company's clients operate manufacturing facilities in both the U.S. and Canada. Mr Burkett can see potential two way business developing. Like most brokers, Roto-Litho

ROTO-LITHO INC. Continued ....

are prepared to work in a number of different ways with their clients depending on the circumstances of the work. Technically, the broker stands between a particular client and the available range of suppliers to ensure that the client receives the right quality, at the right price, and that the work is delivered on time. For this reason many brokers actually purchase the printing work from the printer at wholesale and re-sell it to the client.
Interested Canadian suppliers should contact Mr Burkett to acquaint him with their potential.

ROBERT LEVINE PRINTING BROKERAGE

21777 Ventura Blvd.,
Woodland Hills, CA 91364. (213)656-0888
Mr Rober Levine.

Robert Levine works with a large number of printers and converters throughout the United States. He is interested in Canadian suppliers and the services they have to offer. Canadian companies should send their literature to Mr Levine.

PRINTING PRODUCTION MANAGEMENT

5530 Corbin Avenue,
Tarzana, CA 91536. (213)343-2335
Steven Koffer.

Mr Koffer specializes in brokerage involving catalogue printing. He has a developing client list centered mainly on the West Coast. His only experience with Canada to date was in obtaining a price from a Toronto based printer three years ago. At that time he found that pricing was not exceptional and because a mailing was involved with the particular catalogue he was working on, he did not proceed.
Mr Koffer's concerns are quality control; generally both he and his client have found it necessary to travel to the plant involved in a printing run to supervise first proofs, colour separations etc. He advised that this has generally not proved a problem with major U.S. printers even though plants are often located in the most out of the way areas, right across the U.S.
Mr Koffer cited the Club Universe as a typical client together with various manufacturers. He handles jobs ranging from $400,000 to $400.00.
In Mr Koffers opinion there are a maximum of five really professional brokers working on the West Coast who are capable of offering full service.
Mr Koffer feels it will be essential for Canadian converters and printers to have adequate local representation in the West before they can break into the market.

7.0 MATERIALS AND PACKAGING MANUFACTURED IN CALIFORNIA

As mentioned in section 2.0, the estimated value of all packaging materials required by industry in California was $7 billion in 1980. This estimate is based on national figures which indicate that packaging materials account for 4.2 percent of the value of finished goods produced.

There are approximately three hundred and fifty packaging materials manufacturers who employ more than twenty people operating in the State of California. Approximately eighty of these manufacturers are listed in the top five hundred U.S. packaging materials producers with sales of over $10 million a year. Twenty of these companies are California corporations; five have their headquarters in the western states outside California and primarily in the Pacific-Northwest, whilst fifty-three companies have their headquarters elsewhere in the U.S.

Listed amongst California corporations who produce packaging materials in the State are:-
Avery International (labels); Bendix Forest Products (corrugated containers); Kaiser Aluminium (foil for flexible packages and alum. cans); Crown Zellerbach (multi-wall bags, film, foil, and laminates); A.E. Plastik Pak Co. (rigid and flexible poly films and thermoforming); Arcata National Corp. (pulp products); H.S. Crocker (folding cartons and pressure sensitive labels); Dolco Packaging Co. (egg cartons and polystyrene foam trays); Friedman Bag Co. (textile and poly bags); Standard Paper Box Corp. (folding cartons, display and milk cartons).

Dart Industries, a major California corporate involved in glass, plastics, film, and polystyrene containers, recently merged with Kraft Inc. in Glenview, Illinois and operations in California are being progressively relocated in the East.

Listed amongst Western U.S. materials manufacturers who maintain plants in California are:-
Boise Cascade (paperboard containers); Georgia Pacific (paperboard containers, multi-wall bags, and closures); Louisiana Pacific (corrugated containers); Southwest Forest Industries (corrugated containers); and Weyerheuser (corrugated containers, milk and beverage containers, and multi-wall bags).
Most of the Pacific-Northwest corporations have their base in paper products.

Major U.S. national producers who operate plants in California include the following:-
American Can(plastics); Bemis (multi-wall bags); Borden (packaging film); Diamond International (labels and box wraps); Dixico (flexible materials including paper lamination and polyethylene); Dow Chemical Co. (polyethylene film and zip-loc bags); Guardian Packaging (polyethylene and coated materials); Hercules Inc.(plastics, resins etc.); International Paper Co. (labels and litho printing); Jiffy Manufacturing Co. (protective packaging materials, utility bags, and food bags); KCL Corp. (plastic film, foil, bags and liners); Monsanto (plastic film, foil, bags and liners); Mobil (plastic sheet and bags); Philip Morris (Millprint) (printed roll film, cellophane,

glassine, and polyethylene); Owens-Illinois (glass and plastic containers, pharmaceutical glass); PPD Corp. (polyethylene film and bags); Paper Manufacturers Co. (coated flexible materials); Rexham Corp. (folding cartons, printing, gold stamping, and embossing); Solo Cup (paper and plastic cups); Stecher-Traung-Schmidt Corp. (box wraps, frozen food cartons, folding cartons, and paper converting); and Westavco (flexible packaging).

There are a further ten California corporations listed in the top six hundred packaging materials manufacturers who have sales of over $5 million a year. Listed among these are:-
Advance Paper Box Co. (folding and set-up cartons); Graphic Arts Packaging Corp. (folding cartons); Latchford Glass Co. (glass bottles and jars); Los Angeles Paper Box & Board Mills Inc. (folding and rigid cartons); Tri Plas Inc. (plastic tubs, cups and lids).

According to our estimate, 50 percent of all the major non California corporates producing packaging material in the State are involved in producing materials covered by this study.

It is estimated that there are an additional seven hundred small companies in California employing less than twenty people who also produce packaging materials. We were concerned primarily with the activities of the larger manufacturers for this study. In our opinion, the smaller manufacturers should not offer any serious competition to medium or larger sized Canadian exporters wishing to penetrate the packaging markets in California

Table 7.0 on the following page covers the selected packaging materials included in this study. The table shows the total shipments produced by the State's leading manufacturers. (The total number of all manufacturers of all sizes and the total amount of all materials produced can be obtained by referring to Table 3.3(1) in the Appendix). Table 7.0 will provide Canadian manufacturers with a guide to the relative strengths of the packaging materials manufacturing industry in the State. Other commonly used packaging materials not basically included in the scope of this study are also included to round out the materials manufacturing picture in California.

It can be seen from Table 7.0 that California produces a fairly typical cross section of the materials it requires for packaging domestic industrial production. These materials are defined by SIC (Standard Industrial Classification). In some instances SIC classification is too broad for meaningful analysis, as is the case of SIC 2643 which could be ideally subdivided to show paper, plastic, and cellophane bags as separate categories; or SIC 3079 which is a "catch all" category containing all miscellaneous plastic products, including chemical compounding for plastics manufacture, film, tube and bag making, and laminating. In addition, the category includes many packaging and non-packaging products made in rigid plastics.

1978 SIC figures are the latest figures available which provide any detail on individual SIC classification. They show total packaging material shipments of approximately $4.7 billion. This figure does

TABLE 7.0

SELECTED PACKAGING MATERIALS PRODUCING PLANTS IN CALIFORNIA BY SIC (1978) EMPLOYING MORE THAN 20 PEOPLE

SIC	Description	No.of Plants	Total Value of Shipments ($ million)
2621	Paper mills	9	249.4
2631	Paperboard mills	15	282.3
2641	Paper coating & glazing	17	151.1
2643	Bags: paper, plastic & cellophane	34	312.1
2645	Paper & board: die cut	14	64.7
2646	Pressed & molded pulp goods	2	-
2649	Converted paper products	22	90.1
2651	Boxes: folding paperboard	26	254.9
2652	Boxes: set-up, paperboard	10	16.7
2653	Boxes: corrugated & solid fibre	98	985.9
2654	Containers: sanitary, food	17	199.9
2655	Cans:drums & similar prods: fibre	12	76.9
3221	Glass containers	16	570.3
3411	Cans: metal	59	1,441.9
3497	Foil & leaf: metal	5	37.3
3079	Plastic products: miscellaneous	*	-
Total plants in California in all SIC's producing packaging materials..................		356	4,733.5

*It was not possible to determine how many manufacturers in this SIC produce packaging materials. There are more than 500 manufacturers with more than 20 employees in this SIC.

not include any portion of SIC 3079 which includes most plastics manufactured in the State. The value of plastic packaging material produced under SIC 3079 would represent a major contribution to the overall total. Generally, plastics is responsible for 14.6 percent of the national total of all packaging materials manufactured.

Table 7.0 shows that California's two largest production categories are metal cans and corrugated cartons. This is logically the result of the State's pre-eminent position as the Nation's leading food producer. Agricultural production resulted in extensive production of both cans and corrugated cartons to serve the local canned fruit, vegetable and fish industries. The third largest materials production category would appear to be plastic film.

Far less materials are produced in other major categories, such as, paper, cellophane bags, folding cartons, and specialized laminated products. The State's main user of these materials is the food industry which is the largest industry in California and which is continuing to grow at a favourable rate. Industry sources advised us that the substantial capital investments required for major product converting have dissuaded many national producers in these categories from setting up plants in the West. Consequently, there are few large plants in California producing the more specialized laminated film or laminated paper flexible products. Most major plants providing these materials, established in California, are owned by the larger U.S. national producers who in many instances operate a large number of plants across the U.S.

The Dow Chemical Company which operates a film plant in Fresno, California and also supplies resin to approximately fifteen of the State's leading converters, advised that most converters are located in Southern California. According to Dow Chemicals, industrial consumption in California and the West is substantially ahead of eastern consumption. The company operates two film plants, one in California and one in the Eastern U.S. Dow's California production is entirely absorbed in the State, whilst the eastern production is sold over a far greater geographic area.

California conforms to national patterns and large quantities of materials are imported from elsewhere in the U.S. and distributed in the State. For this reason, Canadian film producers and specialist converters could find a place in this growing market providing they are competitive or they are able to offer technology which is not readily available in the Western U.S. This view has been confirmed by distributors and end-users interviewed during the course of the study.

8.0 PRINTING OVERVIEW (ROTOGRAVURE & FLEXOGRAPHIC)

Research showed conclusively that Chicago is the main U.S. center for both rotogravure and flexographic printing. Very few of the larger U.S. packaging materials producers use either process in their California plants. Crown Zellerbach and Milprint are among those who do; both companies use flexographic in California. Crown Zellerbach consider themselves the West Coast leaders and the company was mentioned frequently by potential customers we contacted. High speed offset printing and other processes suitable for smaller runs at lower speeds are more commonly used by California packaging producers. Diamond International (Diamond Smurfitt) for example, use sheet fed offset for their label production

We contacted the Association of Printing Industries in both Northern and Southern California and were advised that there are a total of six member printers using one or another of the two processes operating in the State. Investigation revealed that only one of these printers, A.C. Label Company in San Jose is involved in producing material for the packaging industry. A.C. Label are flexographic printers and produce pressure sensitive labels. Four of the other companies mentioned produce newspapers or periodicals. The sixth company Roto-Litho Inc., is in fact a broker offering out-of-state rotogravure production.

Discussions with potential customers indicate that Canadian manufacturers and printers with rotogravure or flexographic capabilities should be able to compete effectively in California provided they are able to compete in the Eastern U.S. Ability to supply smaller and medium sized runs would be a definite advantage in California. Canadian manufacturers should note that "small to medium" sized runs in California in most instances may involve substantial quantities, i.e. over half a million impressions. Canadian printing specialists should note that many of the larger U.S. printers maintain permanent sales representatives in California or the Western U.S. We were consistently advised that Canadian printers should do the same if they wish to compete effectively. Canadian companies will find a selection of interviews with California printing brokers at the end of Section 6.5 in this report.

9.0 DEGREE OF MARKET PENETRATION BY CANADIAN MATERIALS SUPPLIERS

The U.S. Market:

1981 U.S. total imports for all packaging materials are estimated to have been $253 million. This estimate is a composite which covers the categories shown in table 9.0 below. Our estimates were confirmed by commodity specialists at the U.S. Bureau of Industrial Economics. Industry sources we contacted, including C.H.Kline, agree that it is virtually impossible to verify import figures in the packaging industry largely because category definitions are not precise.

U.S. imports of packaging materials have shown only marginal increases over the last three years. This is due in part to the current recessed nature of the U.S. economy. It is also however a fact that the United States is almost entirely self sufficient in producing its packaging requirements. For that reason imports have rarely exceeded one half a percent of the total value of domestic production. This does not mean that there are no opportunities for exporting nations in the U.S. packaging market, but it does mean that competitive pricing and innovative technology provide the simplest means of access to the market.

Two import categories which did show significant increases in 1981 were glass containers, with a 52% increase over 1980 totals; and

TABLE 9.0

U.S. IMPORTS OF SELECTED PACKAGING MATERIALS (1981) SHOWING CANADIAN CONTRIBUTION

(million dollars)

	Value of Imports to U.S.	Value of Canadian Exports	Canada's % share
Boxes (folding & non-folding)	$ 16.0	$ 4.4	28.0%
Wrapping (incl.printed materials)	46.6	39.4	84.6%
Corrugated products	11.6	11.4	99.0%
Tags, labels & wraps	7.8	2.3	30.0%
Sanitary food containers	5.2	2.7	53.0%
Bags (except textile) paper or film	25.7	7.0	21.5%
Plastic materials - flexible film, converted film etc.	60.8	12.1	20.0%
Glass containers	68.0	39.4	58.0%
Metal containers	5.7	-	-
Collapsible metal tubes	2.8	.9	34.0%
Metal foil products (foil or converted products)	3.5	1.8	52.0%
TOTAL	$253.7	$121.5	-

Source: U.S. Department of Commerce - Bureau of Economic Affairs, 'Imports by Commodity Group' plastics materials which showed an 8.5% increase over 1980. Growth is expected to continue in these two categories. Paper and plastic bags registered an 11% reduction in 1980 but are expected to recover in 1982.

Table 9.0(1) following shows Canada's export competitors in the U.S. market. The information presented was selected from the U.S. Department of Commerce "Imports by Commodities, 1981", as defined by the TSUSA *. It should be noted that the categories shown often include non-packaging items. For this reason the totals should be disregarded and the information used as a general indication of Canadian competitiveness. We concentrated on those categories which include materials in this study, but also included several other areas which showed evidence of significant Canadian exports. Further information is presented in table 9.0(2) in the Appendix. The information in table 9.0(2) was derived directly from Canadian statistics. The table is provided in order to show a balanced picture of Canadian exports.

Canadian Exports to the U.S.:

Canada is the largest exporter of folding & non-folding paperboard boxes (28%). Japan and France are Canada's major competitors. - Canada has the major share of wrapping paper exports to the U.S. (85%). - Canada has 99% in corrugating medium but only 32% and 14% respectively for glassine and greaseproof papers.- Canada has a 48% share of waxed and impregnated paper exports to the U.S.- Canada has an

---

*Tariff Schedules of the U.S.A.

TABLE 9.0 (1)

CANADA'S POSITION AS AN EXPORTER OF PACKAGING MATERIALS TO THE UNITED STATES IN 1981 (1,000 DOLLARS)

TSUSA	Classification	Country	Value of Exports to U.S.	Total Exports to U.S.	Canada's % of Exports
	PAPER PRODUCTS				
2513000	Test or container boards, bursting strength over 60 lb	Canada	12,063	12,071	99.9%
		Other*	8		
2515180	Paperboard, NSPF	Canada	9,540	10,415	90.0%
		Other	875		
252815	Sack,wrapping PPR NSPF unbleach sulphate, over 18 lb ream	Canada	36,323	38,363	99.8%
		Sweden	1,578		
		Finland	78		
		W.Germany	67		
2529020	Corrugating medium over 18 lb ream	Canada	11,681	11,695	99.0%
		Other	15		
2533020	Glassine paper	Norway	106	274	32.0%
		Canada	87		
		W.Germany	77		
2533040	Greaseproof paper	Sweden	2,851	7,655	14.0%
		U.K.	2,696		
		Canada	1,084		
		Finland	319		
2545400	Wax or paraffin coated or impregnated paper	Canada	148	311	48.0%
		U.K.	120		
		Other	44		
2547500	Gummed paper, impregnated and or coated, not lith-printed	Sweden	282	369	-
		Other	87		
2563030	Sanitary food & beverage containers,cut to size for storing or serving	Canada	1,214	1,580	77.0%
		Sweden	252		
		Other	150		
2563080	Paper & paperboard,NSPF, cut to size	Canada	5,462	14,620	37.0%
		Japan	3,145		
		W.Germany	2,322		
		Finland	1,091		

*All other countries

Note: Due to the complexity of obtaining meaningful data on TSUSA related imports of packaging materials, it should be noted these figures also contain non-packaging materials.

TSUSA	Classification	Country	Value of Exports to U.S.	Total Exports to U.S.	Canada's % of Exports
	PAPER PRODUCTS (Cont'd)				
2564800	Boxes,paperboard,p/mache cov or lined with spec paper	Canada	1,190	4,516	48.0%
		France	812		
		China M	705		
2565220	Sanitary food & bev containers,not folded, set-up or assembled	Netherlands	643	1,352	12.0%
		Canada	163		
		Sweden	124		
2565240	Boxes, PPR*paperboard, machined,not folded/ set-up/assbld.	Japan	1,601	5,125	27.0%
		Canada	1,394		
		Hong Kong	362		
2565420	Sanitary food & bev containers NSPF	Canada	398	1,077	37.0%
		Japan	325		
		W.Germany	109		
2565440	Boxes,paper,paper bd & paper mache NSPF	Canada	1,515	8,010	19.0%
		Japan	1,413		
		France	925		
		U.K.	525		
2567000	Pulp, articles exc paper & paper bd NSPF	Canada	22,386	25,762	87.0%
		W.Germany	1,892		
		Mexico	674		
		U.K.	576		
2568400	Sanitary bev & food containers, PPR,coated for serving or storing food	Canada	404	766	53.9%
		Panama	312		
2568720	Bags,packing containers etc. coated for office or shop use	France	80	313	-
		Other	233		
2569020	Sanitary food & bev containers & articles not folded, set-up or assembled	Canada	1,207	1,546	78.0%
		Netherlands	102		
2569030	Bags, packaging contnrs etc.for office or shop use NSPF	Mexico	1,713	3,612	21.0%
		Canada	756		
		Japan	318		
2742900 2743300	Labels,flaps & bands, NSPF, litho-printed, exc metal leaf	Japan	2,462	5,301	36.9%
		Canada	1,935		
		Mexico	924		

*PPR = preprinted

TSUSA	Classification	Country	Value of Exports to U.S.	Total Exports to U.S.	Canada's % of Exports
	PAPER PRODUCTS (Cont'd)				
2743500	Paper labels, flaps,bands printed exc litho	Japan	1,157	2,504	17.0%
		Canada	432		
		France	203		
	PLASTIC PRODUCTS				
7714310	Polyester flexible film, strips, and sheets	Japan	42,651	97,701	22.0%
		U.K.	21,786		
		Belguim	17,298		
7714312	PVC flexible film, strips, and sheets	Taiwan	52,214	115,557	6.0%
		W.Germany	23,985		
		Japan	16,654		
		Canada	7,072		
7703000	Rubber or plastics expanded etc. non flexible products	Canada	2,088	4,846	43.0%
		France	889		
7714314	Polyethylene flexible film, strips & sheets	Canada	3,761	10,088	37.0%
		Taiwan	2,155		
		W.Germany	968		
7714316	Polypropylene flexible film, strips & sheets	Japan	20,994	36,722	9.0%
		U.K.	7,682		
		Canada	3,325		
7714330	Rubber or plastics, flexible film etc. NSPF, NOV.009 inch	Japan	5,090	11,645	42.0%
		Canada	4,969		
		Belguim	488		
7714334	Rubber or plastics film etc.NSPF, in rolls over .009 inch	Canada	5,142	17,690	29.0%
		Japan	4,042		
		U.K.	2,144		
7714350	Rubber or plastics film etc. NSPF not in rolls over .009 inch	W.Germany	1,005	2,679	12.0%
		Canada	365		
		Taiwan	277		
7715500	Rubber or non-cellulose plastic profile shapes NSPF	Canada	8,280	26,260	31.0%
		W.Germany	5,932		
		Japan	5,761		
7722010	Bags, envelopes & similar containers of rubber or plastic	Taiwan	11,091	24,104	25.0%
		Canada	6,103		
		Japan	1,014		
7722025	Bottles & drums, of rubber or plastics for packaging	Canada	5,919	10,842	55.0%
		Argentina	957		
		Mexico	841		

TSUSA	Classification	Country	Value of Exports to U.S.	Total Exports to U.S.	Canada's % of Exports
	PLASTIC PRODUCTS (Cont'd)				
7722035	Boxes and cases, of rubber or plastics for packaging	Canada	3,977	10,536	38.0%
		Japan	2,134		
		Hong Kong	1,538		
7722045	Containers, NSPF, of rubber or plastics, for packaging	Canada	5,062	15,550	32.0%
		Mexico	2,918		
		Hong Kong	1,117		
	GLASS				
5451700	Glass containers for toilet prep n/prod by auto mach	France	12,778	21,993	58.0%
		Italy	5,363		
		Austria	1,273		
5452100	Glass containers exc ampoules, NSPF w or w/o clos nov 1/4 pt.	Canada	1,230	2,723	45.0%
		France	527		
		Taiwan	340		
5452500	Glass containers, NSPF, over 1/4 pt. not over 1 pt.	Canada	14,088	14,597	99.0%
		Costa Rica	164		
		Other	125		
5452700	Glass containers, NSPF holding over 1 pint	Canada	22,707	26,781	85.0%
		France	1,381		
		Mexico	1,217		
	METAL				
6404000	Collapsible metal tubes	Canada	1,091	3,269	33.0%
		W.Germany	1,020		
		France	704		
6443800	Base metal foil NSPF bk cov or decorat nov .006 in thick	Canada	1,853	3,560	52.0%
		Japan	849		
		W.Germany	491		

impressive 99% share of the U.S.'s purchases in corrugated products which were estimated at $11.6 million in 1981. It would appear that Canada can only increase its exports in this category by competing more forcibly with U.S. domestic manufacturers.

Canada provides approximately 30% of all labels, tags, and wraps imported into the U.S.; her major competitor is Japan and there is clearly room for expanding Canadian export business in this category, as evidenced by industry responses during this study. - Canada has a 53% market share of overall sanitary container exports to the U.S. Japan, France, and the Netherlands are the major competitors. In aseptic packaging the Netherlands is the leading exporter. Aseptic packaging is expected to be a major growth area in the U.S., over the next decade. Canada's existing technology in this area could be useful and Canadian manufacturers should be able to increase their market share with the right marketing and development work. - Canada has captured approximately 20% of the market for premade paper and plastic bags into the U.S. Her competitors are Mexico (paper bags), and Taiwan (plastic bags). Canada should be able to improve her performance over both these countries to gain a larger share of this substantial market.

Canada has a 20% share of the export market to the U.S. for plastic film and flexible packaging materials. Canada's major competitors are Taiwan, West Germany, and Japan. All of these countries export substantially more to the U.S. than Canada and they are major targets for increased Canadian export activity in the U.S. In the plastics film sector Canada is the leading U.S. export supplier of polyethylene film, but could be facing stiffer competition from Japan in the near future, as previously discussed. Industry sources revealed that Canada faces very determined competition from major U.S. plain film producers who are currently reported to be prepared to protect existing business by undercutting threatening imports at any cost.

Canada has recently increased exports of commercial glass containers to the U.S. to an impressive 58% of total U.S. imports. France is the leading U.S. supplier of specialty glass containers which are understood to consist largely of perfume and toiletry bottles. Industry sources confirmed that total imports of glass containers have been increasing at a staggering rate (from $68 million in 1981 to an estimated $110 million in 1982). It appears that there are still major export opportunities in this field. Pharmaceutical glass is an excellent prospect.

Canada's land border with the United States gives her an advantage which is only shared by Mexico and which should enable her to continue to increase her exports to the U.S. as well as expand regular "over the border" trade.

California Market:

No official figures are available which suggest what percentage of U.S. packaging material imports are shipped to California. However, we have demonstrated in previous sections that California has a total requirement for about $7 billion of packaging materials and that the

State produces roughly $3.4 to $4.0 billion of the national total in the packaging categories we are concerned with in this study. An undetermined amount of this total is exported nationally and internationally. There is certainly a materials shortfall in a number of packaging categories and imports are commonplace. Industry and distributor interviews indicate that the materials most California manufacturers purchase outside the State involve converted high quality flexible packaging, folding boxes, or labels. The historical reason for this is that California packaging material manufacturers do not all have the facilities to produce some of the more ambitious forms of packaging and these are produced mainly in the North Central and Northeastern U.S.

During the course of the study we interviewed more than seventy manufacturing companies from a wide cross section of the State's manufacturing industries. A number of these companies market their products nationally and have manufacturing facilities in California, but purchase their packaging materials from head offices located in the Eastern U.S. Only 9 percent of the companies we contacted reported any previous business with Canadian materials suppliers. It was not possible to make an assessment of which, if any, Canadian materials have a proven track record in California. We were able to determine that the interest level in Canadian materials, in selected categories, is sufficiently encouraging for Canadian suppliers to consider the California market seriously.

It was also apparent that packaging material imports from the Eastern U.S. play a significant role in California manufacturing. Canada shares a common land border with the U.S. and a number of Canadian production centers are located close to the border. Since supply distances are similar, in many cases, to those from parts of the Eastern U.S., Canadian companies should be able to compete in this market. There appear to be around one hundred Canadian companies involved in flexible converted packaging and forty companies involved in paperboard box making. The thirteen companies who responded to this study represent a very small percentage of Canada's export potential, and only two of those companies report any exports to California. Based on Canada's total exports to the U.S. for packaging materials, an $8 to $10 million export target for California should be achievable.

10.0 PRICING PRODUCTS FOR CALIFORNIA AND THE WEST COAST

During the course of the study we discussed pricing with potential customers, brokers, distributors, and a number of other industry sources. Quality, service, and competitiveness will be vital to Canadian export success in California and on the West Coast. Canadian materials manufacturers should consider the following points when preparing export pricing and quotations.

- Wherever possible quote free into store (FIS) prices. This will be a major factor in breaking down any resistance to imported products. California manufacturers are used to buying materials which travel across the continent to reach them but will not be interested if they must also contend with duty, brokers costs as well as freight costs. Prices should include all of the above and in addition agent's, distributors' or sales representatives commission should be included.

- Prices should be quoted in U.S. dollars as a matter of standard practice.

- Time spent on investigating freight costs will be time well spent and will show the customer that the Canadian supplier is making a serious committment to the new market. Canadian suppliers should find Section 14 (which deals with alternative freight methods), useful in this regard.

- Canadian suppliers should note that they will be required to absorb roller, etching, plate making, or other associated costs if they are taking business away from established suppliers in the U.S. or elsewhere.

- Manufacturers should be prepared to include agents or representatives commission in their pricing.

11.0 PROMOTIONAL METHODS

The two main avenues to product promotion used by the packaging materials industry in the U.S. are trade shows and magazine advertising. Most manufacturers, distributors, and other selling organizations belong to one or more trade associations and usually to professional technical associations as well. During the study, we discussed the relative merits of the various promotional avenues that are open to Canadian materials manufacturers with selling organizations, trade show organizers, trade publications, and other industry sources.

11.1 TRADE SHOWS

Most manufacturing industries in the U.S. hold trade shows which are specifically designed to act as selling forums for the industries in question. The packaging industry is no exception. There are two major events designed for the industry in general and a number of shows which feature individual industries. Pack Expo and West Pack are general shows

Pack Expo (The International Packaging Week, Chicago):

Pack Expo is organized by the American Management Association (AMA), The Packaging Institute of the U.S.A.,The Packaging Education Foundation The Packaging Machinery Manufacturers Association, and The Society of Packaging and Handling Engineers. The show is recognized as a leading international meeting for the packaging industry and is held in Chicago every second year (even numbered years). The show is generally held in late October or early November.

Pack Expo is organized on a broad base and is designed to show the widest possible range of materials, machinery, systems, and services.

The show organizers predicted that there would be six hundred exhibitors at this year's show and that attendance would increase by 10 percent over the 1980 show. Organizers claim that attendance is virtually mandatory for key production personnel from a wide range of U.S. manufacturing industries. We were interested to note that only an estimated 4 percent of the attendees in 1980 were from the Western U.S., whilst 85 percent came from the Eastern U.S., and 11 percent of the attendees were international visitors. These attendance figures contrast strongly with those from the West Pack Show which is held in Anaheim, California. Our interviews with California packagers showed that most attend Pack Expo regularly. It was also clear that the exposition is a "must" for Canadian companies who are planning to sell to the U.S. national market. Most large California packaging users send their key engineering and senior personnel to the show regularly.

Pack Expo is open to all comers on a first serve basis and bookings are usually heavy. Machinery manufacturers form the largest category of exhibitors. Materials manufacturers also exhibit but many restrict their activities to hospitality suites in nearby hotels. It will be necessary for Canadian suppliers to visit and judge for themselves whether it is beneficial for them to exhibit or not.

Western Packaging Exposition 1983 (West Pack Show, Anaheim, California):

The West Pack Show is sponsored by the Western Packaging Association. Deatils of show management are given in the Appendix. West Pack is held bi-annually during odd numbered years. The "odd year" concept was adopted to minimize competition with the PMMI show in Chicago. Like the Chicago show, West Pack is a broad base show which features materials and services as well as machinery. We estimate that approximately 12% - 15% of exhibitors are associated with flexible packaging. We discussed the show with manufacturers and sales organizations we contacted during the study and were told that West Pack is highly regarded on the West Coast, and enjoys a growing national and international reputation. The show, which is held at Anaheim, California, is a focal point for buyers from the entire Pacific Basin who wish to become familiar with North American technology. Despite the fact that West Pack only occupies a third of the space of Pack Expo, it attracted half the total number of attendees for the 1981 show. 33% of West Pack's attendance was drawn from the West Coast, while a suprising 67% came from the Eastern U.S. We strongly urge Canadian manufacturers to visit West Pack to determine whether they should exhibit.

Additional Shows:

There are a number of other shows which are held regularly in the U.S. and which feature packaging for specific industries. These include the National Plastics Exhibition, the Cosmo Expo (cosmetics), the National Soft Drink Association Show, the National Fancy Food Confection Show, and so on. In fact most industries in the U.S. hold trade shows and

and so on. In fact most industries in the U.S. hold trade shows and meetings regularly. Consequently a Canadian manufacturer who wishes to pursue a specific industry with his products can readily locate an appropriate gathering for promotional purposes. We did find however that manufacturers agents and sales representatives often restrict their trade show attendance to those shows which strictly feature their specialties.

11.2 TRADE PUBLICATIONS

The packaging industry is inundated with a wide variety of general and specialist publications. The C.H. Kline "Guide to the Packaging Industry" lists thirty U.S. publications and twenty-six foreign publications together with twenty directories which provide information on various aspects of the industry. In addition, the industry publishes a large number of purely technical publications of all kinds. We provide, in the Appendix, an abbreviated list of the U.S. publications which we feel are most appropriate to the subject of the study. However, during the course of the study, the following publications were mentioned most frequently by the companies we interviewed.

Good Packaging Magazine:

Good Packaging is published monthly in California and is the West Coast's own trade magazine for packagers. Mr Kenneth O. Deane, the advertising director, knows the West Coast packaging scene intimately and is interested in helping Canadian manufacturers. Mr Deane sees a substantial market for Canadian packaging products in California provided distribution and service are handled properly. Good Packaging is prepared to assist Canadian suppliers with editorial. Good Packaging is a general news magazine and reports technical advances in the packaging industry regularly.

Packaging Digest:

Packaging Digest is published monthly in Chicago and is distributed free to qualified industry personnel. The magazine staff stressed that Packaging Digest is primarily concerned with reporting new packaging technology and is not a news magazine. Packaging Digest is read widely by the U.S. packaging community. The magazine does feature new products in its editorial. A number of Canadian companies advertise regularly in the publication.

Package Engineering:

Package Engineering is published monthly and is available on subscription. The magazine publishes a "Buyers Guide" in October and an annual encyclopedia in March. The encyclopedia is a standard reference work on packaging materials, techniques, and machinery. The encyclopedia is updated every year. Package Engineering now incorporates Modern Packaging Magazine.

C.H. Kline Guide to the Packaging Industry:

The Kline "Guide" is published every four years; it provides an excellent economic background to the packaging industry. Canadian manufacturers will find the "Guide" indispensible as an index of leading materials producers and converters in the U.S. Additionally

Kline is very knowledgeable on U.S. and foreign trade assocaitions, institutes, and publications.

11.3 TRADE ASSOCIATIONS

Most packagers we contacted feel that it is necessary to belong to at least one trade association and possibly a professional technical association as well. They expressed the view that membership in a trade association with its regular meetings keeps them in touch with the industry and up to date with current trends. Trade associations can be useful in providing lobbying support for political action. Membership of a professional technical association, on the other hand, is not as useful in tangible ways but the professionalism that membership implies can be a useful aid in making sales and as a measure of professional standing and recognition in the industry. The associations which were mentioned most often during the study are discussed briefly below; details of others are given in the Appendix.

The Western Packaging Association:

The Western Packaging Association is the leading packaging trade association operating in the Western U.S. The Association is still expanding its membership and recently added a new chapter for Washington State, in Seattle. Most segments of the packaging industry in California are represented on the Association. Membership is open to Canadians. The Western Packaging Association is the sponsoring body for the West Pack Show. The Association is extremely active in promoting educational programmes and has been instrumental in the establishment of two packaging faculties at leading California State universities. Canadian suppliers contemplating the California market should join the Association which is an excellent medium for making contacts in the industry.

The Packaging Institute, U.S.A.:

The Institute is the leading technical group in the packaging industry and is primarily concerned with the industry's technical and economic problems. The Institute has a membership of about four hundred and fifty companies and two thousand five hundred professional individuals. Mrs Boyle, the Executive Director, advised that the Institute operates through seventeen local chapters with two on the West Coast, one of which is in Los Angeles. The Institute is not associated with the Western Packaging Association although the two bodies do co-operate over the West Pack Show. Membership in the Institute is open to all qualifying professional personnel.

The California Film Extruders & Converters Association (CFECA):

The CFECA came into being in 1974 during the oil shortages. At that time California converters felt they were not getting a fair share of the plastics which were available. The Association was formed and lobbied successfully for increased supplies. The members were pleasantly suprised to find how much political influence they could wield. The Association now has 87 member companies ranging in size from national producers like Mobil, Chase Bag, and Crown Zellerbach, to smaller local converters. Key issues with the Association at this time are co-extruding and linear low density polyethylene. Mr Gurewitz the current president advised that many of his members would be interested in investigating means of cooperating with Canadian suppliers who have access to new technology. The Association meets monthly and it would be possible for Canadian companies to make an effective presentation if arrangements have been made in advance. Mr Gurewitz also stated that Los Angeles is the converting center for the entire Western States region. Most Los Angeles based converters sell their products over the entire region. Mr Gurewitz advises Canadian suppliers and flexible packaging manufacturers to establish a working relationship with a Los Angeles based manufacturer or converter on a mutual self help basis. In his opinion it makes sense to investigate moving large quantities of film or converted product through a company with an established reputation in the market area. Mr Gurewitz discounted most distributers by saying they do not have access to the larger manufacturers. Canadian manufacturers wanting to obtain a worthwhile share of the total Western market should join the Association and make a complete presentation, Mr Gurewitz feels they will get a good hearing. The Association produces a regular newsletter and will advertise any presentation of this kind in advance. Address details for the Association are given in the Appendix.

11.4 SEMINARS AND OTHER PROMOTIONAL METHODS

As explained above Canadian suppliers will find that it is possible for them to participate or hold seminars through the various trade associations operating in the market area. In our opinion participation in association activities of this sort should result in active business contacts. Canadian manufacturers will find that the Western Packaging association activities of this sort should result in active business contacts. Canadian manufacturers will find that the Western Packaging Association is ready to assist in any worthwhile programme they may consider.

Promotional films are readily accepted as an excellent sales tool. The Western Packaging Association is currently producing a promotional film for its members. The proceeds are being used to fund the Association's educational programme. Members were asked to make a donation in return for a limited amount of screen time.

11.5 DESCRIPTIVE LITERATURE

A number of potential materials users we contacted emphasized the importance of manufacturer's literature as an excellent way to bring product specialties to their notice. Canadian manufacturers should consider producing good quality, eye catching literature to illustrate their products, for export markets.

Export Proceedures & Shipping

12.0 DOCUMENTATION AND GENERAL EXPORT INFORMATION

Canadian exporters require market access information which falls into two basic categories: customs and non-customs. Customs information covers such subjects as documentation, tariff classification rates and valuation for duty. Non-customs information relates to other U.S. laws which affect imports and are concerned with such things as consumer product safety, environmental protection, and so on. Information on both these questions may be obtained from the U.S. Tariff Affairs Division of the Trade Relations with the United States Office, Department of External Affairs, in Ottawa. (Phone number (613)996-5471). The same information is also obtainable from U.S. Customs or U.S. customs brokers. However, we recommend that Canadian packaging materials manufacturers who are intending to export to the U.S. should discuss these questions with the Office of Trade Relations first. Specialists from the Office will obtain binding classification rulings from U.S. Customs officials in Washington D.C. or New York. These binding rulings establish the firm duty rate for pricing purposes to interior parts of the U.S.

Tariff Classification (Rate)

All packaging materials entering the U.S. are subject to U.S. Customs Regulations. The rates of duty applicable to various types of packaging materials are so varied that they should be individually obtained from one of the forementioned sources. Tariff treatments applicable to merchandise imported into the United States are outlined in the Tariff Schedules of the United States (TSUS). The TSUS includes descriptions of commodities accompanied by their respective rates of duty. We have included sample pages from the current (1982) TSUS in the Appendix. Readers studying these pages will find that it is, in many cases, extremely difficult to recognize the commodities they produce in the tariff classifications. This further underlines the need to seek expert guidance,as previously mentioned.

Packaging materials are classified according to their primary material content. Thus packaging materials which are primarily made of paper are contained in Schedule 2, part 4 of the TSUS; packaging materials primarily made of plastic are contained in Schedule 7, part 12; materials made primarily out of glass are contained in Schedule 5, part 3; and packaging materials primarily made out of metal are contained in Schedule 6, part 3. The word "primarily" is the operative word in obtaining accurate tariff classifications in many instances; thus, a converted flexible packaging material will be considered as a paper, plastic, or metal product depending on which material constitutes the bulk of the product. The classification can also vary if the material is printed or not printed. We were advised by U.S. Customs that the materials covered by this study attract duty rates ranging from 2.8% to 7.3%

Valuation for Duty:

The base of valuation for duty is normally the transaction price between the Canadian seller and the U.S. purchaser. In cases where the companies transacting business are related, the value, for duty purposes, may be different than the actual transaction price.

Invoicing for U.S. Customs:

U.S. Customs does not require a special form of customs invoice. However, there are information requirements that must be completed on commericial invoices. Exporters should check with U.S. Customs or a U.S. Customs broker to ensure that these requirements are fulfilled.

Marking of Country of Origin:

Every imported article must be legibly and conspicuously marked with the English name of its country of origin, unless the article is specifically exempted from marking. The object of this requirement is to indicate to the ultimate purchaser where the article was manufactured.

Canada Customs Entry Form B-13:

All commercial export shipments to the United States must be accompanied by a Canada Customs Entry Form B-13. This form is essential for Canadian manufacturers since it identifies the goods that have been exported and, if necessary, allows them to be returned to Canada. This is not likely to be the case with packaging materials.

The Customs Broker:

Arrangements must be made to clear each shipment through U.S. Customs at a customs port of entry. Shipments may be cleared at the border or bonded on to an interior port in the U.S. for later clearance. Each shipment must be cleared by a licensed customs broker. It is important that the Canadian exporter instructs his transportation company to surrender accompanying documents for customs clearance to a specific broker. This can be done either at the border entry port or at an interior port. If it is not done, the carrier is free to choose his own broker, which can present problems. In our opinion, it is desirable to clear all shipments as close to the border as possible. This will ensure that the shipment is released rapidly under the "immediate delivery system" which is primarily used at land border crossings to avoid unnecessary delays in delivery. The system also enables the exporter to exercise maximum control over the merchandise.

Canadian exporters should choose their customs broker with care. A close relationship with the right brokerage house is the best way to ensure smooth, speedy clearance and subsequent delivery. We advise exporters to discuss their programme with several brokers and compare the advantages offered before selecting. Brokers' costs can vary considerably depending on the relationship Canadian manufacturers establish with the brokers they choose. We believe that road shipments from Canada are best cleared by brokers operating at the border; as a general rule brokers who staff offices at all major Canada/USA land borders strive to maintain close ties with their Canadian clients. If landed prices have been quoted and transactions are to be profitable, it is essential that the question of brokerage fees, tariff classification, and delivery instructions have been settled in advance wherever possible. A typical broker's price list for customs transactions is shown in the Appendix.

Entry Into a Foreign Trade Zone:

Canadian packaging manufacturers can consider placing their products in a licenced U.S. Foreign Trade Zone. Foreign Trade Zones may be of interest to Canadian companies who wish to hold bulk stock of their product in the market area without paying duty. When goods are released from the zone or consigned to a customer, duty must be paid.

Foreign Trade Zones in the U.S. are licenced by the U.S. Department of Commerce, but they are operated by independent commercial organizations. There are currently four Foreign Trade Zones operating in California, details of their addresses are given in the Appendix.

Foreign Trade Zone #50 in Long Beach, California offers open-air storage for 8.6 cents per cubic foot per month and covered storage for 56 cents per cubic foot per month. Space and time minimums are by negotiation. The U.S. Department of Commerce advised that Foreign Trade Zones are usually only advantageous in certain circumstances. Canadian manufacturers will need to weigh the advantages and disadvantages carefully before making a decision.

It should be noted that goods may be loaded, stored, sorted, or have local content added in a Foreign Trade Zone. In some cases, goods in a more advanced state can be re-classified and may attract a lower duty rate if local content has been added whilst they were in a Foreign Trade Zone.

13.0 LEGAL AND ENVIRONMENTAL CONSIDERATIONS

Legal Considerations:

There are a number of legal considerations which could affect Canadians supplying U.S. customers with packaging materials.

Legally Approved Materials -- In most cases Canadians will be asked to quote on packaging which is already in service in the U.S. This will mean that the requisite approval for the materials to be used has already been obtained from the appropriate U.S. Federal enforcement agency or agencies involved. The main U.S. agencies concerned with the products in this study are the Department of Agriculture, the Consumer Products Safety Commission, the Department of Health and Human Services, and the Food and Drug Administration.

Any Canadian company proposing to sell packaging which is used in Canada but is not in production in the U.S. should first check that the material being used has been approved for use in the U.S. We suggest that Canadians should check the suitability of their materials through the U.S. Tariff Affairs Division of the Trade Relations with the United States Office, Department of External Affairs, in Ottawa. Phone number 613-996 5471.

Many of the larger potential customer companies we contacted during the study operate their own testing and development facilities for new materials. Canadian suppliers may be able to work jointly with their U.S. customers in these cases if approvals are necessary.

Environmental Considerations -- California materials producers have faced serious problems connected with environmental legislation over recent years. There have been major attempts to regulate the production of plastics. In the most famous case the California Legislature proposed banning the use of plastics altogether in packaging. The CFECA (California Film Extruders & Converters Association) quickly lobbied to have the legislation blocked. Other California State and local legislative measures are constantly attacking production emissions and are currently forcing converters to investigate water soluble printing processes for packaging products-- an area which may be of interest to Canadian ink and printing technologists. The end result of this legislative pressure has been to make operating more difficult for many of the State's smaller packaging producers who do not have the capital available to install expensive new plant for emission control.

14.0 TRANSPORT AND SHIPPING TO THE MARKET

As we have previously discovered considerable quantities of packaging material are imported into California from the Eastern and other parts of the U.S. Much of this business is transacted by packaging materials manufacturers with continuing sales. Some out of State manufacturers maintain their own distribution facilities in California. Most of these larger suppliers find it economical to use their own trucks. Some suppliers use rail boxcars; but this is only feasible if the materials to be shipped are weight intensive, for example, bulk quantities of roll stock film. Rail shipment is generally considered the cheapest way of moving bulk commodities anywhere in the continental U.S.A.

We have shown that there are independent materials distributors operating in the market area but our enquireies indicated that long distance freight and associated costs are handled by the supplying manufacturer and not by the distributor. For this reason Canadian manufacturers should be prepared to handle freight arrangements themselves and supply their products in the market area at a delivered price. Long distance freight costs should be accepted as a necessary part of doing business in California, not as an impediment.

14.1 FREIGHT METHODS

The most economical method is the supplying manufacturer's own transport if available. Canadian manufacturers may find it feasible to extend their own delivery fleets if they can locate substantial business.

If it is not possible for the supplier to use his own transport, the following alternatives should be considered.

Common Carriers -- Common carriers rates are approximately $20.00 - $22.00 U.S. per 100 lbs weight from Eastern Canada to Midwestern transhipment centers such as Chicago or Detroit. Rates from the Midwest to Los Angeles or San Francisco are about $20.00 U.S. per 100 lbs weight. Common carriers rates are subject to various tariffs which vary on a commodity basis. Canadian suppliers should check the rate that their product attracts with some of the common carriers listed in the Appendix.

Independent Truckers -- Back hauling by an independent trucker from Detroit to Los Angeles costs around $2,400 U.S. for a complete truck and trailer load. There is no specific price consideration for weight provided the weight is kept within statutory limitations. This method can represent considerable saving over common carriers' rates, but back hauling may not always be a reliable method since trucks may not be available when required. It is possible to arrange for back hauling from most Eastern Canadian production centers but since these are not regularly scheduled freight services it will be necessary to check with the truckers or their brokers in each case. Information on brokers is provided in the Appendix.

Heavy Haulage Specialists -- There are a number of heavy haulage specialists operating in the U.S. and Canada who are able to save substantial amounts on freight costs, provided their minimum weight requirements can be met. Savings can be as high as 60 percent over common carriers' rates but this method does not look suitable for regular shipments of packaging materials.

Freight Consolidators -- None of the materials distributors or selling organizations we interviewed use freight consolidators. We believe that consolidators could be effective in helping Canadian manufacturers to cut freight costs where smaller consistent orders are concerned. The Los Angeles Manufacturers Shipping Association (LAMSA) is a non-profit organization which was formed to reduce freight costs on all kinds of manufactured goods which are imported into California. The Association acts as both a consolidator and a forwarder. Canadian manufacturers are welcome to join. Details are given in the Appendix.

The LAMSA estimates it saves its members 25% - 30% over regular freight costs and is capable of arranging shipment from anywhere in the U.S. or Canada to Los Angeles, San Francisco, or San Diego. The Association is happy to supply cost estimates.

Rail Freight -- Two methods are available, boxcar and trailer flat car combination (piggy-back). With the Piggy-back method, containers can be equipped with a road chassis. Manufacturers will find it more convenient to ship containers with road chassis unless their customers have direct loading access to a rail spur, in which case boxcars would be cheaper. Quotations for specific commodities can be obtained from the railroad companies.

Timing -- Timing can vary considerably with the freight method used. Trucking companies and independent truckers generally offer a four day delivery from Eastern Canada to the market area. While rail can take up to three weeks.

Conclusions

15.0 MARKET STRATEGIES

This study has shown that there is a definite interest in some of the Canadian manufactured packaging materials covered by the study. We were unable to determine the degree of Canada's competitiveness in all areas. However, there is no doubt that agressive marketing will be necessary in those areas which do have prospects and for which we have provided market strategies.

All market strategies contain a number of common elements--the need to provide effective representation and service, delivery and after sales service, and cost effective pricing. All these elements must be included in any marketing program designed to sell Canadian packaging materials in the State of California or in the Western United States. There are also individual requirements which must be tailored to the practicalities involved with selling a variety of dissimilar products such as the materials included in this study. The strategies outlined below are designed to these requirements.

Converted Flexible Packaging, Folding Cartons, and Labels:

Many manufacturers using materials in this category are used to purchasing their requirements outside the State, usually from the Eastern U.S. and sometimes from outside the country. We are primarily considering packaging that is custom made to order which is usually made to special specification and printed according to the customer's requirements. The following points should be considered when preparing a market plan for California:-

- Manufacturers should read the industry interviews in section 4.0 to determine which companies and industries in California use materials which coincide with their specialty. Because California contains a large number of manufacturers in most categories covered, it will also be necessary to obtain a complete listing for any manufacturing category to be investigated. This is best done by purchasing a suitable California State industry directory. We suggest the "California Manufacturers Register", as previously suggested.

- Most potential customers have suggested that suppliers write to them before making a preliminary sales visit. Background information, lists of prominent Canadian or U.S customers (if available), and a representative range of sample work should all be included with the letter. Canadian companies should also include some financial background; most manufacturers will need to know if a new source is financially strong enough to produce their requirements.

- Manufacturers should plan to make an initial visit or series of visits to the market area after making appointments with those companies which have expressed interest in their products.

- It should not be necessary to appoint a sales representative until it has been determined that there is sufficient interest to make this worthwhile. Once it has been decided that there is potential, it is vital to have full time sales representation available in the selected market area. Many U.S. out of State suppliers concentrate only on larger manufacturers and often confine their sales to one or two specific industry groups. Operating this way, they are able to use one sales representative to cover substantial portions of the eleven Western States.

- Canadian suppliers are faced with two alternatives--either appoint a local representative or station a Canadian operative in the area. Unfortunately, there are no extant lists of free-lance packaging materials representatives. Further, the technical aspects involved with most packaging in this category make it necessary to work with specialist selling staff. Thus, the simplest way of finding a suitable representative will probably be to advertise in local or trade publications, unless one is lucky enough to find a qualified salesman by referral.

  The second alternative is to provide a Canadian operative. We believe that this should only be considered if a representative with a thorough background in California industry and market conditions can be found.

- Suppliers will find that it is not possible to rely on consistent business from the relatively small number of brokers operating in the State until a successful local supply record has been established. We found that one or two brokers do actually represent out-of-State suppliers but this is not common. In any case, sales representation is necessary to stimulate the brokers.

- Canadian manufacturers should budget realistically for the cost of establishing and supporting their marketing operation in California. Budgets will need to include the cost of paid representation, technical trips to the market area to support sales representatives, the cost of providing regular communications, courier services or express delivery costs, and the cost of providing a small office, if required.

- Manufacturers should be prepared to investigate freight alternatives and customs broker and duty costs so that they are able to provide their customers with a free-into-store price. In our opinion, FIS pricing is an essential pre-requisite to successful business in the U.S.

- Manufacturers may need to arrange suitable warehousing in cases where their clients stipulate that a portion of the order is to be held as inventory by the supplier and delivered according to a schedule. Notes on available public warehouse facilities are included in the Appendix.

- Manufacturers should also bear in mind that they may be called on to produce small sample trial runs, at competitive prices. If gravure is involved they can expect to cover the cost of rollers and engraving themselves, if they are superceding an existing supply source.

In our opinion, these are the essential points to bear in mind when preparing a market strategy for converted flexible materials, folding cartons or labels. Canadian suppliers should realise that it is important to work to an effective marketing plan and to be prepared to spend the necessary time and money if they are to establish themselves as a force in California.

Plastic Films and other Basic Materials:

This category covers materials which are generally considered "ex-stock" items in the packaging industry. Often basic materials manufacturers produce on a large scale and are, therefore, more adequately prepared to meet the heavier costs involved in establishing distribution for their products.

In our opinion, it will be possible to establish a market for certain Canadian manufactured films. At this stage, the U.S. domestic market is saturated and operating at about 110% in order to keep pace with current stocks of resins. For this reason, established distributors are not eager to consider alternative sources. Despite this, there are one or two smaller distributors who are interested in Canadian possibilities. We consider the following points form an essential part in planning a market strategy:-

- It will not be possible to sell bulk loads direct to distributors under current market conditions or for the foreseeable future.
- Distribution can only be established if the Canadian supplier is prepared to place extensive stocks in the market area at his own cost.
- Manufacturers should determine whether established distributors are prepared to work for them, if stocks are available locally. It will be necessary to spend some time in the market area to investigate distributors.
- It will generally prove more effective to employ local selling staff

or work with a combination of a local sales manager and commission salesmen. As the supplier's reputation and client list grows, established distributors will inevitably be attracted. This will make it possible to extend the market area and increase film consumption.

- A marketing distribution area with a radius of two to three hundred miles is generally considered effective in the industry. For this reason, a Canadian manufacturer establishing a distribution facility in the vicinity of Los Angeles can adequately service the entire Southern California area, which represents 59% of the State's manufacturing output. It should also be possible to make selected deliveries to the San Francisco area in the early stages. It would ultimately be necessary to open a separate distribution center for Northern California.

- Canadian manufacturers must be prepared to face stiff opposition and to reduce their margins as much as possible in order to gain an effective foothold in the California market or any U.S. market.

Glass Bottles:

We found significant evidence that there is interest in Canada as a source for selected glass containers such as, pharmaceutical glass. The number of potential customers in California is relatively restricted. For this reason it is possible that this business could be controlled satisfactorily from Canada. We believe that positive results could be achieved by utilizing Canadian sales personnel who could make regular selling trips to the market areas. In this case, the strategy information contained in the first part of this section will be appropriate.

Inter Company Co-operation:

The possibility of several companies working together is an attractive prospect for the California and the Western U.S. markets. Non-competing manufacturers could find that a joint approach to the market satisfied their requirements for increased export sales. It would be possible for participants to launch a more substantial selling operation than individual companies. At the same time costs can be shared and are, therefore, significantly reduced for individual companies. We strongly recommend that Canadian manufacturers should consider this possibility seriously.

Working with Canadian Packaging Machinery Manufacturers:

This possibility suggested itself during the course of a previous study--"The Market Potential for Canadian Manufactured Packaging Machinery and Systems in California". We were advised by a number of packaging machinery representatives we contacted that they are constantly being asked to recommend materials for the equipment they supply. Once a manufacturer adopts a satisfactory material and his equipment runs smoothly with that material he is usually reluctant to change suppliers. Canadian materials manufacturers should consider this aspect and the possibility of allying themselves with machinery manufacturers who could very well offer them unique sales exposure.

16.0 SUMMARY & CONCLUSION

California is recognized as an opportunity market for a wide range of manufactured goods and raw materials. The State is the nucleus of a potential marketing area for Canadian packaging products. We determined during the study that California produces 9.5% of all manufactured goods in the United States. California's strongest manufacturing industries are the food industry and the transportation and electronics industries. Aerospace and transportation do not offer Canadian packaging suppliers significant prospects at present. The food industry in California, however, ships approximately $30 billion a year and is an excellent prospect for Canadian packaging suppliers in most of the products covered by this study.

California's indigenous packaging industry already produces most forms of packaging products; these products are manufactured by both locally based and national companies in California. Total production in California is estimated to be around $4 billion a year; an estimated $7 billion of packaging is required in the State annually. California packaging manufacturers are export conscious and sell a significant portion of their production outside the State. This in itself creates openings for Canadian exports. Many California materials producers are relatively small. This has provided larger specialist producers outside the State with export opportunities in cases where medium to long runs or specialist services are required.

The extensive manufacturer-end-user interviews in this report indicate that opportunities exist for exports to California in the following categories:- laminated high quality printed pouches and structures, labels for the wine and beverage industries, bakery packaging, aseptic packaging, quality printed and folded cartons, (in smaller and medium sized runs). Retortable pouch technology is also a possibility but in the cases of both retortable and aseptic packaging considerable development work will be necessary. Glass bottles and plastic closures are also excellent export prospects. Plastic film and some of the more sophisticated forms of retail packaging appear saleable despite the current "soft" market.

Canadian manufacturers will need to be aggressive and flexible in their pricing although there is evidence that manufacturer-end-users do not always buy at the lowest possible price. Manufacturers should be prepared to communicate effectively with their customers; follow-through is extremely important. It will be necessary to consider establishing distribution bases in the market area for some commodities. Canadians will find new technical advances in materials and processes of interest to California end-users, many of whom consider themselves to be national leaders, particularly in the food industry.

We consider that opportunities exist for most product types covered by this study; we have provided outline market strategies designed to assist Canadian manufacturers prepare marketing plans for their products. A most important element in each case is the need to provide adequate representation. Canadian companies will find that considerable investigation is necessary to find the right type of representation in the market area. We discovered that some California packaging manufacturers may also be interested in working with Canadians, as previously discussed.

The California packaging market is extremely competitive and it may take Canadian companies some time to establish initial business. Canadian companies should find that if they are competitive in the Eastern U.S., they can be competitive in the West.

Canada is already the largest supplier of paper related packaging products to the U.S. but there is definitely room for increased imports in other areas. This report is designed to provide Canadian manufacturers with background and market information which will assist them in increasing Canadian exports to California and other parts of the United States.

Appendices

APPENDIX "A"

LIST OF CANADIAN MANUFACTURERS & MATERIAL TYPES IN STUDY

Bonar Packaging	Linear low density polyethylene, industrial plastic bags, stretch film, multiwall paper bags, extrusion coated paper.
Lawson Packaging	Flexible packaging products consisting of paper plastic and foil laminates or extrusions. Specialists in three ply laminating and one colour gravure printing. Product sold mainly in roll stock form.
McLaren, Morris & Tood	Paper & foil laminators & printers, specialize in food, alcohol, beer, and wine markets; also specialize in cosmetics.
Merry Packaging	Pharmaceutical webs, wax paper pouches for food, overwraps for soap & paper towels, snacks and candy. Plastic films, laminations, and sterilizable paper.
Commercial Printing & Folding	Commercial folding paperboard boxes for the pharmaceutical and cosmetics industries.
Beckett Packaging	Converted flexible packaging, roto and flexo printing,laminated and coated materials for product wraps. Small multiwall bags.
Alcan Industries (Foils Division)	Household foil, foil containers, custom flexible packaging (including foil composite packaging & unsupported foil.) High barrier packaging and retort lacquers.
Progressive Packaging	Flexible & converted packaging materials using film, paper, & foil. roto or flexo printing. Produces custom packaging materials.
Century Label	Pressure sensitive labels in single or roll form using one to five colours.
Deco Labels	Medium to large runs of pressure sensitive labels of all kinds.

APPENDIX "A"

Consolidated Bathurst	Multiwall paper bags, industrial plastic bags, coated and laminated substrates; reinforced paper & film laminations, coated woven fabrics; Specialize in wide width polyolefin coatings and laminations; Tri-Flex Scrim reinforced paper laminations.
Rolph-Clarke Stone Packaging	High quality cartons for cosmetic, confectionery, and tobacco industries; multi-folding specialists.
DRG Packaging	Vacuum packaged coffee webs, medical packaging bags, beer labels, candy wrap. A broad range of materials converting abilities.

APPENDIX "B"

TABLE 3.3(2)

SELECTED MAJOR MANUFACTURING INDUSTRIES IN CALIFORNIA INDICATION OF NUMBER OF PLANTS OPERATING IN THE STATE -1977

SIC	DESCRIPTION	With 20 or more employees	Total establishments
2011	Meat Packing plants	60	127
2013	Sausages & other prepared meats	54	113
2016	Poultry dressing plants	23	32
2022	Cheese, natural & Processed	9	18
2023	Condensed & evaporated milk	13	24
2024	Ice cream & frozen desserts	21	70
2026	Fluid milk	61	150
2032	Canned Specialties	22	50
2033	Canned fruits & vegetables	105	143
2034	Dehydrated fruits vegetables & soups	34	83
2035	Pickles sauces & Salad dressings	25	59
2037	Frozen fruits & vegetables	35	42
2038	Frozen specialties	22	40
2041	Flour & other grain mill products	8	15
2043	Cereal breakfast foods	3	7
2044	Rice milling	9	12
2045	Blended & prepared flour	8	19
2047	Dog, cat, & other pet food	10	28
2048	Prepared feeds, nec	43	134
2051	Bread cake, & related products	105	287
2052	Cookies & crackers	20	43
2062	Sugar cane refining	1	2
2063	Beet sugar	11	11
2065	Confectionery products	36	105
2066	Chocolate & cocoa products	6	8
2067	Chewing gum	3	3
2074	Cottonseed oil mills	7	9
2075	Soyabean oil mills	3	7
2077	Animal & marine fats & oils	17	42
2079	Shortening & cooking oils	14	24
2082	Malt beverages	5	11
2084	Wines, brandy & brandy spirits	54	165
2085	Distilled liquor except brandy	8	12
2086	Bottled & canned soft drinks	73	129
2087	Flavoring extracts & syrups, nec.	14	51

APPENDIX "B"

TABLE 3.3(2) Continued

SIC	DESCRIPTION	With 20 or more employees	Total establish-ments
2091	Canned & cured seafoods	10	16
2092	Fresh or frozen packaged fish	29	61
2095	Roasted Coffee		
2098	Macaroni and spaghetti	13	37
2099	Food preparations,nec.	93	316
2321	Men's & boys shirts & nightwear	76	130
2323	Men's & boys neckwear	9	20
2327	Men's & boys separate trousers	15	41
2329	Men's & boys clothing,nec.	29	64
2331	Women's & misses blouses	151	293
2335	Women's & misses dresses	356	1831
2337	Women's & misses suits & coats	119	218
2329	Women's & misses outerwear,nec	156	314
2611	Paper mills	9	11
2631	Paperboard mills	15	16
2641	Paper coating & glazing	17	59
2643	Bags: paper,plastic & cellophane	34	56
2645	Paper & board: die cut	14	41
2646	Pressed & molded pulp goods	2	2
2649	Converted paper products, nec.	22	77
2651	Folding paperboard boxes	26	44
2652	Setup paperboard boxes	10	19
2653	Corrugated & solid fiber boxes	98	136
2654	Sanitary food containers	17	22
2655	Fiber cans,drums & similar prods.	12	20
2751	Commercial printing letterpress	116	1,796
2752	Commercial printing lithographic	219	1,467
2753	Engraving & plate printing	13	60
2754	Commercial printing gravure	6	40
2831	Biological products	14	40
2833	Medicinals & botanicals	8	27
2834	Pharmaceutical preparations	39	96
2841	Soaps & other detergents	32	100
2842	Polishes & sanitation goods	35	155
2843	Surface active agents	3	9
2844	Toilet preparations	31	114
2851	Paints & allied products	88	232

APPENDIX "B"

TABLE 3.3(2.) Continued

SIC	DESCRIPTION	With 20 or more employees	Total establishments
2873	Nitrogenous fertilizers	8	18
2874	Phosphatic fertilizers	4	6
2875	Fertilizers, mixing only	8	35
2879	Agricultural chemicals, nec.	15	56
3069	Fabricated rubber products	73	174
3079	Miscellaneous plastics products	546	1,542
3161	Luggage	12	36
3171	Women's handbags & purses	17	53
3172	Personal leather goods	4	34
3221	Glass containers	16	16
3229	Pressed & blown glass	7	52
3231	Products of purchased glass	45	189
3411	Metal cans & shipping containers	59	86
3412	Metal barrels, drums, & pails	12	22
3421	Cutlery	2	11
3423	Hand & edge tools, nec.	29	83
3429	Hardware, nec.	67	219
3466	Crowns & closures	6	8
3497	Metal foil & leaf	5	11
3573	Electronic computing equipment	154	314
3574	Calculating & accounting machines	7	16
3579	Office machines,nec & typewriters	14	30
3634	Electric housewares & fans	12	27
3639	Household appliances, nec.	5	13
3645	Residential lighting fixtures	52	145
3646	Commercial lighting fixtures	21	40
3651	Radio & TV receiving sets	33	131
3652	Phonograph records, prerecorded tape	38	215

APPENDIX "B"

TABLE 3.3(2) Continued

SIC	DESCRIPTION	With 20 or more Employees	Total establishments
3674	Semiconductors & related devices	80	180
3699	Electronic components,nec.	233	800
3691	Storage batteries	18	37
3714	Motor vehicle parts & accessories	131	485
3751	Motorcycles, bicycles & parts	25	164
3841	Surgical & medical instruments	39	127
3842	Surgical appliances & supplies	46	183
3861	Photographic equipment & supplies	41	171
3942	Dolls	10	26
3944	Games, toys, & children's vehicles	28	131
3949	Sporting, & athletic goods	87	370
3951	Pens, & mechanical pencils	9	17

APPENDIX "C"

TABLE 9.0(2)

CANADIAN EXPORTS OF PAPER, METAL, AND PLASTIC PRODUCTS CONTAINING PACKAGING MATERIALS (1981) (1,000 DOLLARS)

Classification	Item	Exports to U.S.	Total Exported
354.10	Wrap paper, bleached sulphate	$21,249	$22,308
354.39	Wrap paper, unbleached sulphate	23,898	112,199
354.99	Wrapping paper, NES	956	1,337
356.10	Liner board	15,488	114,640
356.19	Corrugating container board, NES	21,433	52,567
356.49	Solid bleached board & fold boxboard NES	9,923	10,368
356.69	Set-up boxboard	115	206
950.29	Shipping containers metal & pts NES	25,421	31,414
950.36	Shipping containers, glass & parts	50,114	53,566
950.44	Paper bags and multiwall sacks	1,241	2,071
950.45	Boxes & cartons, paperboard & parts	4,896	6,082
950.49	Shipping containers paper & pts NES	5,765	7,631
950.55	Barrels and kegs, wooden	173	276
950.66	Shipping containers wooden & pt NES	3,289	4,777
950.75	Shipping containers, textile	481	976
950.76	Plastic bags	5,287	9,242
950.77	Plastic bottles, vials and ampoules	6,552	7,226
950.79	Shipping containers plastic & pt NES	17,434	22,473
950.99	Containers, closures & parts NES	8,301	11,859
424.99	Plastic film and sheet	49,323	78,179
		$271,339	$549,397

Source: Statistics Canada

APPENDIX "D"

C. J. TOWER & SONS CUSTOMHOUSE BROKERS

Please reply to File No R&E-Louch & Associates
May 27, 1982

Customs Agents For...

C P Rail
Canadian National Railways
Chesapeake & Ohio Railway Co.
Grand Trunk Western Railroad Co.
Consolidated Rail Corp.
Toronto, Hamilton & Buffalo Ry. Co.
Canada Coach Lines Ltd.
Gray Coach Lines Ltd.
Greyhound Lines Inc.
American Airlines Inc.
Eastern Air Lines Inc.
U S Air, Inc.
United Air Lines, Inc.
Can. Freightways Eastern Ltd.
Constable Transport Ltd.
Direct Winters Transport Ltd.
Dominion - Cons. Truck Lines Ltd.
Doral Transport Co.
Fruitbelt Trucking Inc.
Husband Transport Limited
Inter-City Truck Lines Ltd.
Kingsway Transports Ltd.
Meislin Transport Ltd.
McKinley Transport Ltd.
Motorways (Ontario) Ltd.
No. American Van Lines Can. Ltd.
Overland Western Limited
Quinn Truck Lines Ltd.
Smith Transport Ltd.
Red Star Express Lines of Ont. Ltd.
Zavitz Bros. Ltd.

Serving Imports/Exports at
Michigan and Niagara Frontiers...
Air, Bus, Express, Rail, Ship, Truck
FMC No. 738

Offices to Serve You At...

Buffalo International Airport
Buffalo, N.Y.

International Bridge
Black Rock, N.Y.

Peace Bridge
Buffalo, N.Y.

Lewiston-Queenston Bridge
Lewiston, N.Y.

Rainbow Bridge
Niagara Falls, N.Y.

Whirlpool Rapids Bridge
Suspension Bridge, N.Y.

Ambassador Bridge
Detroit, Mich.

City National Bank Building
Detroit, Mich.

Detroit & Windsor Tunnel
Detroit, Mich.

Blue Water Bridge
Port Huron, Mich.

Mr. Peter Louch
Louch & Associates
1954 Parnell Avenue
Los Angeles, CA 90025

Dear Mr. Louch:

We are writing in reference to our recent telephone conversation regarding your request that we provide you with a schedule of our brokerage charges. We are pleased to provide you with this information.

General Merchandise

Value of Goods	
$ 00.00 - 250.00	$11.00
250.01 and over	14.00
Dutiable Merchandise Surcharge	$ 1.50 for each $100.00 or fraction of duty applicable.

C.I.F. - F.O.B. Statistical Data	$ 1.25 per tariff classification valued over $250.00.

Bond Charge

A Customs bond is required prior to release of merchandise.

Immediate Delivery And Consumption Entry	$ 1.25 per $1000.00 or fraction of (duty paid) value, minimum $7.50.

These fees are based on the assumption that all documents, etc., are furnished and only the normal detail in handling is involved. When special handling or other brokerage services are needed, appropriate charges are made.

You will note that our fees are tailored to the value of the goods allowing low valued shipments to be handled at reduced charges.

128 DEARBORN STREET BUFFALO, NEW YORK 14207 PHONE 716-874-1300

To insure that your shipments receive proper handling, please arrange to have the documents accompanying them marked with the notation:

> "FOR CUSTOMS CLEARANCE BY C. J. TOWER & SONS,"

and an additional notation on the invoices:

> "Duty, if any, and all charges are to be billed to (whomever is to be billed)."

We have office locations at Buffalo and Niagara Falls, New York, as well as Detroit and Port Huron, Michigan, open and operating 24 hours a day, 365 days a year, whenever Customs services are available. Enclosed is a brochure to provide you with additional information about us.

We trust that we have provided you with the information that you were seeking, and should you have any questions whatsoever,please do not hesitate to contact us.

Yours truly,

C. J. TOWER & SONS

ERNEST M LEO

Ernest M. Leo

EML:ks
Att.

APPENDIX "D"

CUSTOMS BROKERS: (Interviewed by Louch & Associates)

Norman G. Jensen Inc.

P.O.Box 1450,
Blaine, WA 98230 (206)332-8671
Peter L. Young

C.J.Tower & Son

128 Dearborn Street,
Buffalo, NY 14207 (716)874-1300
Ernest M. Leo

John V. Carr & Sons Inc.

P.O.Box 479(A),
Detroit, MI 48232 (313)965-1540
Mr Hazel

Castelazo & Associates

5420 West 104th Street,
Los Angeles, CA 90045 (213)776-7880

APPENDIX "E"

TARIFF SCHEDULES OF THE UNITED STATES, ANNOTATED (1982)

The following tariff pages relate to the products in this study.

GSP	Item	Stat. Suf-fix	Articles	Units of Quantity	Rates of Duty		
					1	LDDC	2
A	251.30	00	Test or container boards of a bursting strength over 60 pounds per square inch by the Mullen or Webb test	Lb	2.3% ad val.	Free	20% ad val.
			Paperboard, not specially provided for:				
	251.35	00	Beer mat board	Lb	Free		10% ad val.
			Pulpboard in rolls chiefly used in the manufacture of building boards:				
	251.40	00	Not laminated by means of an adhesive substance, not coated, not surface-colored, not lined or vat-lined, not embossed, not ruled, not printed, and not decorated	Lb	Free		10% ad val.
A	251.45	00	Laminated by means of an adhesive substance, coated, surface-colored, lined or vat-lined, embossed, ruled, printed, or decorated	Lb	1.9% ad val.	Free	30% ad val.
A	251.49	00	Shoeboard	Lb	Free		30% ad val.
	251.51		Other		Free		30% ad val.
		20	Wet machine board	Lb.			
			Other:				
			Kraft:				
			Bleached uniformly throughout the mass:				
		50	Coated with artificial or synthetic resins	Lb.			
		55	Other	Lb.			
		60	Other	Lb.			
		80	Other	Lb.			
			Papers, not impregnated, not coated, not surface-colored, not embossed, not ruled, not lined, not printed, and not decorated:				
A	252.05	00	Basic paper to be sensitized for use in photography	Lb	0.8% ad val.	Free	5% ad val.
A	252.10	00	Basic paper ordinarily used in making blueprint or brown print paper, or for similar purposes	Lb	3% ad val.	Free	20% ad val.
			Bibulous paper, including blotting paper:				
A	252.13	00	Weighing not over 9 pounds per ream	Lb	4.9% ad val.	3.8% ad val.	21% ad val.
A	252.15	00	Weighing over 9 but not over 18 pounds per ream	Lb	3.9% ad val.	3.2% ad val.	22% ad val.
A	252.17	00	Weighing over 18 pounds per ream	Lb	2.6% ad val.	Free	30% ad val.
A	252.20	00	Bristol board weighing over 18 pounds per ream	Lb	3.2% ad val.	1.6% ad val.	24.5% ad val.
			Carbonizing paper:				
A	252.25	00	Weighing not over 9 pounds per ream	Lb	0.7¢ per lb. + 3.3% ad val.	2.6% ad val.	38% ad val.
A	252.27	00	Weighing over 9 but not over 18 pounds per ream	Lb	2.9% ad val.	2% ad val.	30.5% ad val.
A	252.30	00	Cellulose wadding	Lb	4.3% ad val.	3.5% ad val.	24% ad val.
A	252.35	00	Cigarette paper	Lb	6.9% ad val.	4.9% ad val.	60% ad val.

Note: For explanation of the symbol "A" or "A*" in the column entitled "GSP", see general headnote 3(c).

GSP	Item	Stat. Suffix	Articles	Units of Quantity	Rates of Duty		
					1	LDDC	2
			Papers, not impregnated, etc. (con.):				
			Condenser paper, copying paper, pottery paper, and tissue paper for waxing:				
A	252.40	00	Weighing not over 9 pounds per ream..........	Lb......	0.9¢ per lb. + 5% ad val.	4.3% ad val.	25% ad val.
A	252.42	00	Weighing over 9 but not over 18 pounds per ream.......................................	Lb......	4.3% ad val.	2% ad val.	20.5% ad val.
A	252.45	00	Drawing paper weighing over 18 pounds per ream....	Lb......	1.7% ad val.	1.6% ad val.	15.5% ad val.
A	252.50	00	Filtering paper....................................	Lb......	5.6% ad val.	4.2% ad val.	5¢ per lb. + 15% ad val.
	252.55	00	Hanging paper......................................	Lb......	Free		10% ad val.
			Printing papers:				
A	252.57	00	Cover paper..................................	Lb......	5.1% ad val.	2.4% ad val.	30% ad val.
			India and bible paper:				
A	252.59	00	Weighing not over 9 pounds per ream.....	Lb......	4.9% ad val.	3.8% ad val.	24% ad val.
A	252.61	00	Weighing over 9 but not over 15 pounds per ream.........................	Lb......	6.7% ad val.	4.8% ad val.	20% ad val.
A	252.63	00	Weighing over 15 but not over 30.75 pounds per ream.........................	Lb......	1.9% ad val.	1.8% ad val.	18% ad val.
	252.65	00	Standard newsprint paper.....................	S. ton..	Free		Free
	252.67		Book paper and printing paper, not specially provided for.........................	....	Free		11.5% ad val.
		25	Containing not more than 10 percent by weight mechanical wood pulp..........	Lb.			
		45	Containing more than 10 percent by weight mechanical wood pulp.............	Lb.			
			Stereotype paper:				
A	252.70	00	Weighing not over 9 pounds per ream..........	Lb......	5.8% ad val.	2.7% ad val.	29% ad val.
A	252.73	00	Weighing over 9 but not over 18 pounds per ream.......................................	Lb......	3.7% ad val.	3.1% ad val.	22% ad val.
A	252.75	00	Writing paper weighing over 18 pounds per ream....	Lb......	5.1% ad val.	2.4% ad val.	28% ad val.
			Other, not specially provided for:				
A	252.77	00	Weighing not over 9 pounds per ream..........	Lb......	3.2% ad val.	1.5% ad val.	28% ad val.
A	252.79	00	Weighing over 9 but not over 18 pounds per ream.......................................	Lb......	Free		5¢ per lb. + 15% ad val.
			Weighing over 18 pounds per ream:				
			Wrapping paper:				
A	252.81		Sulphate............................	....	3% ad val.	Free	30% ad val.
			Unbleached (whether or not mottled):				
		15	Shipping sack paper......	Lb.			
		25	Other bag or sack paper..	Lb.			
		35	Other.....................	Lb.			
			Bleached or colored in the mass:				
		55	Shipping sack paper......	Lb.			
		65	Other bag or sack paper..	Lb.			
		75	Other.....................	Lb.			
A	252.84	00	Sulphite............................	Lb......	5.1% ad val.	2.4% ad val.	30% ad val.
A	252.86	00	Other...............................	Lb......	3.8% ad val.	Free	30% ad val.

Note: For explanation of the symbol "A" or "A*" in the column entitled "GSP", see general headnote 3(c).

GSP	Item	Stat. Suffix	Articles	Units of Quantity	Rates of Duty		
					1	LDDC	2
			Papers, not impregnated, etc. (con.):				
			Other, not specially provided for (con.):				
			Weighing over 18 pounds per ream (con.):				
A	252.90		Other		8.5% ad val.	4% ad val.	30% ad val.
		20	Corrugating medium containing not less than 75 percent wood pulp, at least half of which is produced by a semichemical process	Lb.			
		40	Other	Lb.			
			Handmade paper:				
A	253.05	00	Not impregnated, not coated, not surface-colored, not embossed, not ruled, not lined, not printed, and not decorated	Lb.	2.8% ad val.	2.4% ad val.	17.5% ad val.
A	253.10	00	Impregnated, coated, surface-colored, embossed, ruled, lined, printed, or decorated	Lb.	5% ad val.	3.9% ad val.	27% ad val.
			Crepe paper, including paper creped or partly creped in any manner:				
A	253.15	00	Creped as a secondary converting process after paper has been made	Lb.	4.2% ad val.	3.4% ad val.	36% ad val.
A	253.20		Other		3.5% ad val.	Free	36% ad val.
		20	Weighing not over 18 pounds per ream	Lb.			
		40	Weighing over 18 pounds per ream	Lb.			
A	253.25	00	Vegetable parchment paper	Lb.	1.7% ad val.	Free	19% ad val.
A	253.30		Grease-proof paper and imitation parchment paper, including glassine		0.3¢ per lb. + 1.9% ad val.	Free	3¢ per lb. + 15% ad val.
		20	Glassine	Lb.			
		40	Other	Lb.			
A	253.35	00	Cloth-lined or reinforced paper	Lb.	5.2% ad val.	2.4% ad val.	22.5% ad val.
			Any of the papers provided for in this subpart, if wholly or partly covered with flock, gelatin, metal, or metal solutions:				
A	253.40	00	With the surface or surfaces wholly or partly covered or decorated with a character, design, fancy effect, or pattern	Lb.	4.7% ad val.	3.7% ad val.	24% ad val.
A	253.45	00	Other	Lb.	4.1% ad val.	3.3% ad val.	22.5% ad val.
			Papers, impregnated, coated, surface-colored, embossed, ruled, lined, printed, decorated, or any combination thereof:				
A	254.05		Basic paper to be sensitized for use in photography		1% ad val.		5% ad val.
		20	Baryta coated	Lb.			
		40	Other	Lb.			
A	254.09	00	Bristol board weighing over 18 pounds per ream	Lb.	0.3¢ per lb. + 4% ad val.	2.6% ad val.	42% ad val.

Note: For explanation of the symbol "A" or "A*" in the column entitled "GSP", see general headnote 3(c).

SCHEDULE 2. - WOOD AND PAPER; PRINTED MATTER
Part 4. - Paper, Paperboard, and Products Thereof

GSP	Item	Stat. Suf-fix	Articles	Units of Quantity	Rates of Duty		
					1	LDDC	2
			Papers, impregnated, etc. (con.):				
			Carbon paper:				
A	254.15	00	Weighing not over 9 pounds per ream..........	Lb......	5% ad val.	2.8% ad val.	38% ad val.
A	254.18	00	Weighing over 9 pounds per ream..............	Lb......	2.6% ad val.	Free	30.5% ad val.
A	254.20	00	Cellulose wadding..............................	Lb......	3.4% ad val.	1.6% ad val.	24% ad val.
A	254.25	00	Cigarette paper................................	Lb......	6.9% ad val.	4.9% ad val.	60% ad val.
			Decalcomania paper, not printed:				
A	254.30	00	Simplex....................................	Lb......	3.1% ad val.	2.8% ad val.	15% ad val.
	254.32	00	Duplex.....................................	Lb......	Free		Free
A	254.35	00	Drawing paper weighing over 18 pounds per ream....	Lb......	4.2% ad val.	3.4% ad val.	31% ad val.
			Printing paper:				
			Not lithographically printed:				
			India or bible paper:				
A	254.40	00	Weighing not over 9 pounds per ream...............................	Lb......	4.9% ad val.	3.8% ad val.	24% ad val.
A	254.42	00	Weighing over 9 but not over 15 pounds per ream.....................	Lb......	4.1% ad val.	3.3% ad val.	20% ad val.
A	254.44	00	Weighing over 15 but not over 30.75 pounds per ream..............	Lb......	1.2% ad val.	Free	18% ad val.
			Other:				
A	254.46		Impregnated, coated, or both, but not otherwise treated..........	....	5.4% ad val.	2.5% ad val.	37% ad val.
		20	Clay coated....................	Lb.			
		40	Other..........................	Lb.			
A	254.48	00	Other................................	Lb......	0.4¢ per lb. + 4% ad val.	2.2% ad val.	34% ad val.
A	254.50	00	Lithographically printed......................	Lb......	2.8% ad val.	1.3% ad val.	35% ad val.
A	254.54	00	Wax or paraffin coated or impregnated paper.......	Lb......	4.2% ad val.	3.4% ad val.	17.5% ad val.
			Writing paper weighing over 18 pounds per ream:				
A	254.56	00	Not lithographically printed..................	Lb......	6% ad val.	4.4% ad val.	35% ad val.
A	254.58	00	Lithographically printed......................	Lb......	5.1% ad val.	2.4% ad val.	62.5% ad val.
			Other, not specially provided for:				
			Not lithographically printed:				
			Not impregnated or coated:				
A	254.63	00	Weighing not over 9 pounds per ream............................	Lb......	3.5% ad val.	2.9% ad val.	30% ad val.
A	254.65	00	Weighing over 9 but not over 18 pounds per ream.................	Lb......	1.9% ad val.	Free	20% ad val.
A	254.70	00	Weighing over 18 pounds per ream...............................	Lb......	1.1¢ per lb. + 3.5% ad val.	2% ad val.	18.5% ad val.

Note: For explanation of the symbol "A" or "A*" in the column entitled "GSP", see general headnote 3(c).

GSP	Item	Stat. Suffix	Articles	Units of Quantity	Rates of Duty		
					1	LDDC	2
			Papers, impregnated, etc. (con.):				
			Other, not specially provided for (con.):				
			Not lithographically printed (con.):				
			Impregnated, coated, or both:				
	254.75	00	Gummed................................	Lb......	Free		14% ad val.
A	254.80		Not gummed:				
			Impregnated, coated, or both, but not otherwise treated.........................	....	2.4% ad val.	Free	25% ad val.
		20	Copy papers, self-copy papers and other transfer papers..........	Lb.			
		40	Other....................	Lb.			
A	254.85		Other.........................	....	4% ad val.	1.9% ad val.	20% ad val.
		20	Copy papers and transfer papers..........	Lb.			
		40	Other.....................	Lb.			
			Lithographically printed:				
A	254.90	00	Not over 0.020 inch in thickness........	Lb......	4.2% ad val.	2% ad val.	24.5% ad val.
A	254.95	00	Over 0.020 inch in thickness............	Lb......	2.5% ad val.	Free	11.5% ad val.

Subpart C. - Paper and Paperboard Cut to Size or Shape; Articles of Paper or Paperboard

Subpart C headnote:

1. For the purposes of this subpart, the term "papeteries" (item 256.35) means writing paper, or correspondence cards, or both, together with envelopes, packed or assembled into boxes, folders, portfolios, or other containers, in which such articles are sold as a unit to the ultimate consumer.

GSP	Item	Stat. Suffix	Articles	Units of Quantity	Rates of Duty		
					1	LDDC	2
A	256.05	00	Wall paper..	Lb......	3.8% ad val.	Free	1.5¢ per lb. + 20% ad val.
A	256.10		Cigarette paper, cut to size or shape, cigarette books, and cigarette bookcovers.........................	....	6.9% ad val.	4.9% ad val.	60% ad val.
		20	Cigarette books, including their book covers......	Lb.			
		40	Other..	Lb.			
			Other paper and paperboard, cut to size or shape:				
A	256.13	00	Basic paper to be sensitized for use in photography.......................................	Lb......	1% ad val.		5% ad val.
A	256.15	00	Filtering paper...................................	Lb......	4.7% ad val.	3.7% ad val.	30% ad val.

Note: For explanation of the symbol "A" or "A*" in the column entitled "GSP", see general headnote 3(c).

GSP	Item	Stat. Suffix	Articles	Units of Quantity	Rates of Duty		
					1	LDDC	2
			Other paper and paperboard, cut to size or shape (con.):				
			Writing paper and correspondence cards, weighing over 18 pounds per ream:				
A	256.20	00	Not surface-colored, not embossed, not ruled, not lined, not printed, and not decorated	Lb.	0.4¢ per lb. + 5% ad val.	3.2% ad val.	33% ad val.
A	256.25	00	Surface-colored, embossed, ruled, lined, printed, decorated, or any combination thereof	Lb.	6.8% ad val.	3.2% ad val.	33% ad val.
A	256.30		Other, not specially provided for		6.4% ad val.	3% ad val.	30% ad val.
		10	Toilet and facial tissues, towels, napkins, or similar cut to size or shape household or sanitary products	Lb.			
		30	Sanitary food and beverage containers, and other cut to size or shape products for serving or storing foods and beverages	Lb.			
		50	Copying papers	Lb.			
		60	Labels, unprinted	Lb.			
		80	Other	Lb.			
A	256.35	00	Papeteries	X.	5.6% ad val.	4.2% ad val.	40% ad val.
A	256.40	00	Sheets of writing paper, with border gummed or perforated, with or without inserts, prepared for use as combination sheets and envelopes	X.	7.3% ad val.	5.1% ad val.	40% ad val.
			Paper envelopes:				
A	256.42	00	Not bordered, not embossed, not printed, not tinted, not decorated, and not lined	M.	6.4% ad val.	3% ad val.	30% ad val.
A	256.44	00	Bordered, embossed, printed, tinted, decorated, lined, or any combination thereof	M.	8.5% ad val.	4% ad val.	35% ad val.
			Boxes of paper, of paperboard, of papier-mâché, or of any combination thereof:				
A	256.48	00	Covered or lined with coated papers or papers described in items 253.25, 253.30, 253.35, 253.40, or 253.45, or with textile fabric	Lb.	2.9% ad val.	2.5% ad val.	21.5% ad val.
			Other:				
A	256.52		Not folded, not set up, and not otherwise assembled		6.4% ad val.	3% ad val.	30% ad val.
		20	Sanitary food and beverage containers	Lb.			
		40	Other	Lb.			
A	256.54		Other		6% ad val.	2.8% ad val.	35% ad val.
		20	Sanitary food and beverage containers	Lb.			
		40	Other	Lb.			
			Blank books, bound:				
A	256.56	00	Diaries, notebooks, and address books	No.	8.5% ad val.	4% ad val.	25% ad val.
A	256.58	00	Other	No.	3% ad val.	Free	25% ad val.
A*	256.60	00	Autograph, photograph, postage-stamp, post-card, and scrap albums, and albums for phonograph records	No.	4% ad val.		30% ad val.

Note: For explanation of the symbol "A" or "A*" in the column entitled "GSP", see general headnote 3(c).

G S P	Item	Stat. Suf-fix	Articles	Units of Quantity	Rates of Duty		
					1	LDDC	2
			Tubes, of paper, commonly used for holding thread or yarn:				
A	256.65	00	Parallel	Lb.	3.9% ad val.	3.2% ad val.	25.5% ad val.
A	256.67	00	Tapered	Lb.	0.5c per lb. + 7.5% ad val.	5.8% ad val.	43% ad val.
			Subpart D. - Articles Not Specially Provided For of Pulp, of Papier-Mâché, of Paper, or of Paperboard				
			Subpart D headnote:				
			1. This subpart covers articles of pulp, of papier-mâché, of paper, or of paperboard, not provided for elsewhere in this schedule or in schedule 7.				
			Articles, of pulp, of papier-mâché, of paper, of paperboard, or of any combination thereof, not specially provided for:				
A	256.70	00	Of pulp, not including articles of paper or of paperboard	X	3.8% ad val.	Free	30% ad val.
A	256.75	00	Of papier-mâché	X	3.8% ad val.	3.1% ad val.	25% ad val.
A	256.80	00	Of cellulose wadding	Lb.	4.6% ad val.	3.6% ad val.	19.5% ad val.
			Other:				
			Of papers, coated, or of any of the papers provided for in items 253.25, 253.30, 253.35, 253.40, or 253.45:				
A	256.84	00	Sanitary food and beverage containers, and other articles for serving or storing foods and beverages	Lb.	5.2% ad val.	4% ad val.	26.5% ad val.
A*	256.87		Other		5.6% ad val.		26.5% ad val.
		20	Bags or other packing containers; box files, letter trays, or similar articles of a kind commonly used in offices, shops, or the like	Lb.			
		40	Copying papers	Lb.			
		80	Other	Lb.			
A	256.90		Other		7.7% ad val.	5.3% ad val.	35% ad val.
		10	Toilet and facial tissues, towels, napkins, or similar household or sanitary products	Lb.			
		20	Sanitary food and beverage containers, and other articles for serving or storing foods and beverages	Lb.			
		30	Bags or other packing containers; box files, letter trays, or similar articles of a kind commonly used in offices, shops, and the like	Lb.			

Note: For explanation of the symbol "A" or "A*" in the column entitled "GSP", see general headnote 3(c).

SCHEDULE 7. - SPECIFIED PRODUCTS; MISCELLANEOUS AND NONENUMERATED PRODUCTS
Part 12. - Rubber and Plastics Products

GSP	Item	Stat. Suf-fix	Articles	Units of Quantity	Rates of Duty		
					1	LDDC	2
			Articles not specially provided for wholly or almost wholly of reinforced or laminated plastics:				
			Laminated:				
A	770.05	00	Plates or sheets	Lb	4.8% ad val.		42.5% ad val.
A	770.07	00	Other	Lb	9.3% ad val.	4.4% ad val.	64% ad val.
A	770.10	00	Other	Lb	9.6% ad val.	6.3% ad val.	56% ad val.
			Expanded, foamed, or sponge rubber or plastics, and articles not specially provided for wholly or almost wholly of such rubber or plastics:				
A	770.30	00	Not flexible	X	7.7% ad val.	5.3% ad val.	80% ad val.
			Flexible:				
A	770.40	00	Of polyurethane	X	5.6% ad val.	4.2% ad val.	25% ad val.
A	770.45	00	Of cellulose	X	16.3% ad val.	8.1% ad val.	60% ad val.
A	770.70	00	Of natural rubber	X	5.6% ad val.	4.2% ad val.	25% ad val.
A	770.80	00	Other	X	11% ad val.	6.6% ad val.	50% ad val.

Subpart B. - Rubber and Plastics Waste and Scrap; Rubber and Plastics Film, Strips, Sheets, Plates, Slabs, Blocks, Filaments, Rods, Tubing and Other Profile Shapes

Subpart B headnotes:

1. This subpart covers rubber or plastics products (other than waste or scrap) in the following forms:

(a) blocks and slabs in bulk forms;

(b) film, strips, sheets, and plates, all the foregoing (whether or not printed, embossed, polished, or otherwise surface-processed) made or cut into rectangular pieces over 15 inches in width and over 18 inches in length; and

(c) filaments, rods, seamless tubing, and profile shapes, all the foregoing whether or not polished or otherwise surface processed, or cut into lengths which are over 15 inches.

2. This subpart does not cover --

(i) printed matter provided for in part 5 of schedule 2;

(ii) man-made fibers, as defined in part 1E of schedule 3;

(iii) articles provided for in subpart A of this part;

Note: For explanation of the symbol "A" or "A*" in the column entitled "GSP", see general headnote 3(c).

(iv) film, strips, sheets, and plates, which --

(A) have been made or cut into non-rectangular shapes of any size, or

(B) measure not over 15 inches in width, or

(C) measure not over 18 inches in length, or

(D) have been ground on the edges, drilled, milled, hemmed, or otherwise usefully processed (except surface-processed); or

(v) filaments, rods, seamless tubing, and profile shapes, which have been made or cut into lengths measuring not over 15 inches, or which have been ground on the ends, drilled, milled, or otherwise processed (except surface-processed).

The products described in (iv) and (v) are classifiable as articles in subpart C of this part or under descriptions elsewhere in the schedules.

3. The provisions in this subpart applicable to waste and scrap of rubber or plastics do not apply to waste and rags of man-made fibers (see schedule 3) or to any waste or scrap which has been cleaned, ground, melted, made into pellets, or otherwise processed.

GSP	Item	Stat. Suf-fix	Articles	Units of Quantity	Rates of Duty 1	Rates of Duty LDDC	Rates of Duty 2
			Waste and scrap, of rubber or plastics, fit only for remanufacture:				
A	771.05	00	Cellulose acetate	Lb	3.2¢ per lb.	1.5¢ per lb.	50¢ per lb.
	771.10	00	Rubber	Lb	Free		Free
	771.15	00	Other	Lb	Free		10% ad val.
			Film, strips, sheets, plates, slabs, blocks, filaments, rods, seamless tubing, and other profile shapes, all the foregoing wholly or almost wholly of rubber or plastics:				
			Of cellulosic plastics materials:				
A	771.20		Of cellulose acetate		3.2% ad val.	2.9% ad val.	30.5% ad val.
		10	Film, strips, and sheets	Lb.			
		30	Other	Lb.			
A	771.25	00	Of vulcanized fiber	Lb	3.8% ad val.	3.1% ad val.	30% ad val.
			Other:				
			Film, strips, and sheets:				
A	771.30	00	Not over 0.003 inch in thickness	Lb	9.8% ad val.	6.2% ad val.	45% ad val.
A	771.31	00	Over 0.003 inch in thickness	Lb	4.8% ad val.	3.7% ad val.	28.5% ad val.
A	771.35	00	Other	Lb	4.1% ad val.		18% ad val.

Note: For explanation of the symbol "A" or "A*" in the column entitled "GSP", see general headnote 3(c).

GSP	Item	Stat. Suf-fix	Articles	Units of Quantity	Rates of Duty		
					1	LDDC	2
			Film, strips, sheets, plates, slabs, blocks, filaments, rods, seamless tubing, and other profile shapes, all the foregoing wholly or almost wholly of rubber or plastics (con.):				
			Not of cellulosic plastics materials:				
			Film, strips, and sheets, all the foregoing which are flexible:				
	771.40	00	Made in imitation of patent leather......	Sq. yd..	3.8% ad val.	3.1% ad val.	25% ad val.
			Other:				
	771.41	00	Of materials other than polyester, polyvinyl chloride, polyethylene, or polypropylene, over 0.006 inch in thickness, and not in rolls......	Lb......	6% ad val.		25% ad val.
A	771.43		Other..............................	....	5.6% ad val.	4.2% ad val.	25% ad val.
		10	Of polyester.....................	Lb.			
		12	Of polyvinyl chloride...........	Lb.			
		14	Of polyethylene..................	Lb.			
		16	Of polypropylene.................	Lb.			
		20	Of polymethyl methacrylate......	Lb.			
			Other:				
		30	Not over 0.009 inch in thickness..................	Sq. yd.			
			Over 0.009 inch in thickness:				
		34	In rolls.............	Sq. yd			
		50	Other................	Sq. yd.			
			Other:				
A*	771.45	00	Of acrylic resin.........................	Lb......	8.5¢ per lb.		50¢ per lb.
	771.50	00	Of casein................................	Lb......	3.2% ad val.	2.7% ad val.	17% ad val.
	771.55	00	Other....................................	Lb......	9% ad val.	5.8% ad val.	35% ad val.

Subpart C. - Specified Rubber and Plastics Products

Subpart C headnote:

1. For the purposes of this subpart, cord, fabric, wire, or non-rubber or non-plastic reinforcing or traction-increasing media shall be disregarded in determining the component material of chief value in tires, or in tubes for tires (items 772.45 through 772.60, inclusive).

Subpart C statistical headnote:

1. For the purposes of item 772.51, rim size is the inner diameter of the tire measured bead to bead.

Note: For explanation of the symbol "A" or "A*" in the column entitled "GSP", see general headnote 3(c).

GSP	Item	Stat. Suf-fix	Articles	Units of Quantity	Rates of Duty		
					1	LDDC	2
			Articles chiefly used for preparing, serving, or storing food or beverages, or food or beverage ingredients; and household articles not specially provided for; all the foregoing of rubber or plastics:				
A*	772.03	00	Salt, pepper, mustard, and ketchup dispensers, and similar dispensers	X	7.2% ad val.	3.4% ad val.	80% ad val.
A	772.06	00	Plates, cups, saucers, soup bowls, cereal bowls, sugar bowls, creamers, gravy boats, serving dishes, and platters	Lb.	7¢ per lb. + 8% ad val.	7% ad val.	84.5% ad val.
A	772.09	00	Trays	No.	7.7% ad val.	5.3% ad val.	40% ad val.
A	772.15	00	Other	X	7.2% ad val.	3.4% ad val.	80% ad val.
A	772.20		Containers, of rubber or plastics, with or without their closures, chiefly used for the packing, transporting, or marketing of merchandise		6.4% ad val.	3% ad val.	80% ad val.
		10	Bags, envelopes and similar non-rigid articles	Lb.			
		25	Bottles and drums	X			
		35	Boxes and cases	X			
		45	Other	X			
A	772.25	00	Buckets or pails, of rubber or plastics	No.	7.2% ad val.	3.4% ad val.	80% ad val.
	772.30	00	Wearing apparel (including rainwear) not specially provided for, of rubber or plastics	Doz.	12.5% ad val.		25% ad val.
A*	772.35		Curtains and drapes, including panels and valances; napkins, table covers, mats, scarves, runners, doilies, centerpieces, antimacassars, and furniture slipcovers; and like furnishings; all the foregoing of rubber or plastics		5.6% ad val.	4.2% ad val.	25% ad val.
		10	Curtains and drapes	No.			
		20	Blinds	No.			
		50	Other	X			
A	772.40	00	Nursing nipples and pacifiers, of rubber or plastics	Gross	3.8% ad val.	3.1% ad val.	25% ad val.
A	772.42	00	Ice bags; douche bags, enema bags, colostomy bags, hot water bottles, and fittings therefor; invalid and similar nursing cushions; crutch tips and grips; dress shields; finger cots; pessaries; prophylactics; sanitary belts; bulbs for syringes; syringes (other than hypodermic syringes) and fittings therefor, not in part of glass or metal; all the foregoing of rubber or plastics	X	5.6% ad val.	4.2% ad val.	25% ad val.

Note: For explanation of the symbol "A" or "A*" in the column entitled "GSP", see general headnote 3(c).

Subpart C. - Glassware and Other Glass Products

Subpart C headnotes:

1. This subpart does not cover certain articles with a light-reflecting surface provided for in item 790.50 of part 13A of schedule 7.

2. The provisions in this subpart for laboratory glassware (items 547.53 and 547.55) include laboratory apparatus or instruments which are essentially glassware whether or not furnished with supports, frames, or mounts of other materials.

GSP	Item	Stat. Suf-fix	Articles	Units of Quantity	Rates of Duty 1	Rates of Duty LDDC	Rates of Duty 2
			Containers (except ampoules) chiefly used for the packing, transporting, or marketing of merchandise, and containers chiefly used for home canning and preserving, all the foregoing, of glass, with or without their closures and whether or not coated with plastics materials:				
			Ordinarily used for perfume or other toilet preparations, or if fitted with or designed for use with ground glass stoppers:				
A	545.11	00	Produced by automatic machine................	Gross...	4.5% ad val.	3.7% ad val.	25% ad val.
A	545.17	00	Otherwise produced...........................	Gross...	12.8% ad val.	7.5% ad val.	75% ad val.
			Other:				
A	545.21	00	Holding not over 1/4 pint....................	Gross...	6.9c per gross	Free	50c per gross
A	545.25	00	Holding over 1/4 pint but not over 1 pint....	Lb.....v Gross	0.23c per lb.	Free	1-1/2c per lb.
A	545.27	00	Holding over 1 pint..........................	Lb.....v Gross	0.1c per lb.	Free	1c per lb.
			Glass inners designed for vacuum flasks or for other vacuum vessels:				
A	545.31	00	Having a capacity of not over 1 pint..............	No......	3.2c each + 16.4% ad val.	1.6c each + 8% ad val.	15c each + 45% ad val.
A	545.34	00	Having a capacity of over 1 but not over 2 pints..	No......	5.4c each + 15.5% ad val.	2.8c each + 8% ad val.	30c each + 45% ad val.
A	545.35	00	Having a capacity of over 2 but not over 4 pints..	No......	8.1c each + 15.5% ad val.	4c each + 8% ad val.	37.5c each + 45% ad val.
A	545.37	00	Having a capacity of over 4 pints..................	No......	12c each + 15.5% ad val.	6c each + 8% ad val.	45c each + 45% ad val.

Note: For explanation of the symbol "A" or "A*" in the column entitled "GSP", see general headnote 3(c).

GSP	Item	Stat. Suf-fix	Articles	Units of Quantity	Rates of Duty		
					1	LDDC	2
			Metal pressure containers designed and used for the transport and storage of compressed gases:				
A	640.05	00	Of stainless steel..	No.....v Lb.	7.5% ad val.		35% ad val.
A	640.10		Other..	....	5% ad val.		25% ad val.
		10	Certified prior to exportation to have been made in accordance with the safety requirements of Sections 178.36 through 178.68 of Title 49 CFR..........................	No. v Lb.			
		20	Other..	No. v Lb.			
			Drums, flasks, casks, cans, boxes, lift vans, and other containers (except pressure containers in items 640.05 and 640.10 and collapsible tubes in item 640.40), all the foregoing, of base metal, chiefly used in the packing, transporting, or marketing of goods:				
A	640.20	00	Of stainless steel..................................	Lb......	6.4% ad val.	3% ad val.	35% ad val.
A	640.25	00	Of aluminum and having a capacity of not over 5 gallons..	No......	4.6% ad val.	5.7% ad val.	45% ad val.
A	640.30		Other..	....	3.9% ad val.	Free	25% ad val.
		10	Empty steel drums..............................	No. v Lb.			
		20	Empty steel pails..............................	No. v Lb.			
		50	Other..	v			
A	640.35	00	Reservoirs, tanks, vats, and other containers, all the foregoing, of metal, having a capacity over 75 gallons and ordinarily installed as fixtures in industrial plants or elsewhere for storage or manufacturing use..	No.....v Lb.	5.5% ad val.	2.6% ad val.	45% ad val.
A	640.40	00	Collapsible tubes of metal..............................	Gross..v Lb.	5.1% ad val.	2.4% ad val.	45% ad val.

Subpart B. - Wire Cordage; Wire Screen, Netting and Fencing; Bale Ties

Subpart B headnote:

1. This subpart does not cover --
   (i) articles of precious metal or rolled precious metal, or articles coated or plated with precious metal;
   (ii) insulated electric conductors or uninsulated electric conductors specially provided for in part 5 of this schedule;
   (iii) textile articles of metallic yarns;
   (iv) reinforced or laminated plastics (see part 12A of schedule 7);

Note: For explanation of the symbol "A" or "A*" in the column entitled "GSP", see general headnote 3(c).

GSP	Item	Stat. Suf-fix	Articles	Units of Quantity	Rates of Duty		
					1	LDDC	2
			Base metal foil (whether or not embossed, cut to shape, perforated, etched, etc.) (con.):				
			Not backed and not cut to shape (con.):				
A	644.15	00	Tin foil	Lb	14.9% ad val.	7% ad val.	35% ad val.
			Lead foil:				
A	644.17	00	Valued not over 13-1/3 cents per pound	Lb	6.6% ad val.	4.7% ad val.	28% ad val.
A	644.18	00	Valued over 13-1/3 cents per pound	Lb	5.1% ad val.	3.9% ad val.	45% ad val.
A	644.20	00	Zinc foil	Lb	8.1% ad val.	3.8% ad val.	45% ad val.
A	644.22	00	Other foil	Lb	7.7% ad val.	3.6% ad val.	45% ad val.
			Cut to shape, but not backed:				
A	644.24	00	Copper foil	Lb	9.3% ad val.	6% ad val.	47% ad val.
A	644.26	00	Aluminum foil	Lb	8.6% ad val.	5.7% ad val.	45% ad val.
A	644.28	00	Lead foil	Lb	4.7% ad val.	2.2% ad val.	45% ad val.
A	644.30	00	Zinc foil	Lb	8.6% ad val.	5.7% ad val.	45% ad val.
A	644.32	00	Other foil	Lb	8.1% ad val.	5.5% ad val.	45% ad val.
			Backed, whether or not cut to shape:				
			Covered or decorated with a character, design, fancy effect, or pattern:				
A	644.36	00	Copper foil	Lb	4.1% ad val.	3.3% ad val.	21% ad val.
A	644.38	00	Other foil	Lb	4.7% ad val.	3.7% ad val.	22.5% ad val.
			Other:				
A	644.40	00	Copper foil	Lb	3.7% ad val.	Free	24.5% ad val.
A	644.42	00	Other foil	Lb	3.5% ad val.	Free	23% ad val.
			Precious metal leaf, whether unmounted or mounted on paper or equivalent backing:				
			Gold leaf:				
			Unmounted:				
A	644.46	00	Leaves not over 11.40 square inches in area	Leaf	3.1% ad val.		8% ad val.
A	644.48	00	Leaves over 11.40 square inches in area	Sq. in.	40¢ for each 1,140 sq. in.	38.5¢ for each 1,140 sq. in.	82.5¢ for each 1,140 sq. in.
A	644.52	00	Mounted	Sq. in.	11.1% ad val.	5.2% ad val.	26% ad val.
A	644.56	00	Silver leaf	Leaf	2.5¢ per 100 leaves		5¢ per 100 leaves
A	644.60	00	Platinum leaf	Sq. in.	17.1% ad val.	8.2% ad val.	65% ad val.
			Base metal, in leaf:				
			Aluminum, in leaf:				
			Powder or flakes, in leaf:				
A	644.64	00	Leaves not over 30.25 square inches in area	Leaf	5.8% ad val.	2.7% ad val.	13.5% ad val.
A	644.68	00	Leaves over 30.25 square inches in area	Sq. in.	4.9% ad val.	3.8% ad val.	104% ad val.
			Other:				
A	644.72	00	Leaves not over 30.25 square inches in area	Leaf	1.4¢ per 100 leaves		6¢ per 100 leaves
A	644.76	00	Leaves over 30.25 square inches in area	Sq. in.	1.5¢ for each 3,025 sq. in.		6¢ for each 3,025 sq. in.

Note: For explanation of the symbol "A" or "A*" in the column entitled "GSP", see general headnote 3(c).

APPENDIX "F"

TRANSPORT COMPANIES

LOS ANGELES MANUFACTURERS SHIPPING ASSOCIATION

4430 Sheila Street,
Los Angeles, CA 90023 (213)265-3900
Steve Cashdollar.

The initial membership in LAMSA costs $100.00. Annual renewal is $25.00. Members must establish an insurance bond which remains in force during the period of membership. The bond is usually arranged through a regular insurance broker. The Association will provide sample quotes for prospective Canadian members.

CANADIAN MACHINERY MOVERS

2425 Central Avenue,
Windsor, Ontario NW8 4J4. (519)948-5211
Mike Dewar, Jim Parker.

Company can move machines of any size. Last year a 70,000 lb machine was moved from Seattle to Northern British Columbia. Machinery is generally moved on flat top trucks under tarpaulins.

TRI-STATE MOTOR TRANSIT

P.O.Box 113,
Joplin, Missouri MO 64801 (417)624-3131

C.H. FREIGHTWAYS

7746 East Rosecrans Avenue,
Paramount, CA 90723 (213)636-0555
1(800)442-4940

INTERNATIONAL TRUCK & TRANSFER

623 East Artesia Blvd.,
Carson, CA 90746 (213)770-1487

Transport

APPENDIX "F"

AMSTAR TRANSPORT

8 Cedar Street,
Thornhill, Ontario L3T RV9 (416)224-1174
.............Toronto/LA/SFO

Company is an independent trucking service using covered trucks. Rates are only economical if a full load is anticipated.

ATLAS VAN LINES

520 Hill Street,
Windsor, Ontario N9C 3C4 (313)963-5445
.............Toronto/LA/SFO

TIME D.C.

4500 East Bandini Blvd.,
Los Angeles, CA 90040 (213)268-8211
.............Toronto & Vancouver/LA/SFO

DELTA VAN LINES

Terminal Annex,
P.O.Box 54548,
Los Angeles, CA 90054 (213)726-3601
.............Vancouver/LA

TRANSCON FREIGHT LINES

9750 South Norwalk Avenue,
Santa Fe, CA 90670 (213)685-9070
(Common Carrier)

CLARKE TRANSPORT (CANADA) INC.

P.O.Box 4760,
Vancouver, British Columbia V6B 4A4 (604)669-4646
(Truck broking company specializing in
freight consolidation between Eastern &
Western Canada).

APPENDIX "F"

M.& M. TRUCK BROKERS INC.

1377 Richelieu Blvd.,
Otterburn Park,
Province Quebec J3G 456 (514)467-9726
(Broker)

TRANSPORT BROKERS INC.

919 McGarry Avenue,
Los Angeles, CA 90021 (213)627-1041

INFORMATION ON TRUCKING LINES & SERVICES

companies wishing to obtain the widest range of information on van lines and route networks should subscribe to: "The Motor Freight Directory". This book is published annually by G.R. Leonard & Co. Inc., 1072 North Allen Avenue, Pasadena, California CA 91104. tel: (213)681-1590. The annual subscription cost for this publication is $35.00. This source is possibly the best in the U.S. and covers Canada also.

APPENDIX "G"

Trade Shows:

WEST-PACK SHOW '83 (Anaheim Convention Center Sept. 20-22, 1983)

Management,
Clapp & Poliak Inc.,
245 Park Avenue,
New York, NY 10167 Call toll free (800)223-1956
Peter Nathan.

PACK EXPO 1982 (McCormick Place, Chicago, Nov. 15-19, 1982)

Management,
Packaging Machinery Manufacturers Institute,
2000 K Street NW,
Washington, DC 20006 (202)331-8181

NPE '85 (The Plastics Show, McCormick Place, Chicago, during June)

Sponsored by,
The Society of the Plastics Industry Inc.,
355 Lexington Avenue,
New York, NY 10017 (212)573-9400

The Plastics Show is considered the leading show in the plastics industry. Materials, machinery and techniques are all featured. The show generally attracts around 600 exhibitors and 50,000 visitors.

Comparison of Attendance: Pack-Expo and West-Pack

Show/Sponsoring Organization	Venue	Year Month	Total Sq. Footage	Length of Show	Open to Canadians/ Rentals	Data on last Show					
						Exhibitors			Origins Visitors		
						Total	Canadian	Attendees	East	West	Other
Pack-Expo. PMMI,AMA,Packaging Institute, USA, others	Chicago McCormick Place	Even Oct.15-19	425 thou.	5 days	Yes $5.0 Sq.ft.	540	15	31,878	85%	4%	11%
West-Pack. Western Packaging Association	Anaheim Convention Center	Odd October	137 thou.	3 days $6.0 Sq.ft.	Yes	389	3	15,500	33%	67%	n/a

APPENDIX "G"

Publications:

Publications
Trade Shows

GOOD PACKAGING MAGAZINE

13515 East Julian Street,
San Jose, CA 95116 (408)286-1661
Kenneth O. Deane, Advertising Director

PACKAGING DIGEST

410 North Michigan Avenue,
Chicago, ILL 60611 (312)222-2000
Jim Kreuger, Technical Editor.

PACKAGE ENGINEERING

5 South Wabash Avenue,
Chicago, ILL 60603 (312)372-6880
R. Bruce Holmgren , Editor.

Package Engineering now incorporates Modern Packaging. The magazine publishes it's Buyers Guide in October and the Packaging Encyclopedia in March.

PAPER FILM & FOIL CONVERTER

Maclean-Hunter Publishing Corp.,
300 West Adams Street,
Chicago, ILL 60606 (312)726-2802
Peter Rigney, Editor.

FOOD & DRUG PACKAGING

747 Third Avenue,
New York, NY 10017 (212)838-7778

PACKAGE PRINTING

North American Publishing Co.,
401 North Broad Street,
Philadelphia, PA 19108 (215)574-9600

APPENDIX "G"

MODERN MATERIALS HANDLING

Cahners Publishing Co.,
221 Columbus Avenue,
Boston, MA 02116 (617)536-7780

Directories:

PMMI PACKAGING MACHINERY DIRECTORY

Packaging Machinery Manufacturers Institute,
2000 K Street,
Washington, DC 20006 (202)331-8181
Claude S. Breeden Jr, Executive Director.

KLINE GUIDE TO THE PACKAGING INDUSTRY

Charles H. Kline Co. Inc.,
330 Passaic Avenue,
Fairfield, NJ 07006 (201)227-6262
Marian Deitsch, Editor.

Available from the publisher at approximately $90.0 per copy. The directory contains excellent listings for associations and publications, together with a great deal of valuable data on the economics of the packaging industry.

Associations & Institutes:

THE PACKAGING INSTITUTE,U.S.A.

342 Madison Avenue,
New York, NY 10017 (212)687-8874
Paul B. Reuman, Executive Director.

THE PACKAGING MACHINERY MANUFACTURERS INSTITUTE

2000 K Street,
Washington, DC 20006 (202)331-8181
Claude S. Breeden Jr, Executive Director

APPENDIX "G"

WESTERN PACKAGING ASSOCIATION

1315 East Julian Street,
San Jose, CA 95116 (408)286-1661

Membership open to Canadians, cost approximately $75.00 P.A.

SOCIETY OF PACKAGING AND HANDLING ENGINEERS

410 North Michigan Avenue,
Chicago, ILL 60611 (312)321-1662
Frank S. Fitzgerald, Executive Director.

A number of California distributors we interviewed belonged to this society.

Information on Manufacturing in California:

CALIFORNIA MANUFACTURERS REGISTER 1982

California Manufacturers Association,
Published by and obtainable from:
Times Mirror Press,
1115 South Boyle Avenue,
Los Angeles, CA 90023-2197 (213)265-6767

Information on California manufacturers is presented alphabetically, geographically , and by SIC. The Register costs approximately $100.0 per copy.

Trade Shows: (Errata)

MATERIALS HANDLING SHOW '84 (Anaheim Convention Center July-Aug. 1984)

Management,
Byron Perkins & Associates
1201 West Huntington Drive, #104,
Arcadia, CA 91006 (213)795-9561
Byron Perkins

APPENDIX "G"

The Materials Handling Show is held every even year at the Anaheim Convention Center. The show is generally staged during the summer. We visited the 1982 show which had a total attendance of 9,385 over it's three day period. Exhibitors were almost exclusively materials handling companies. Rental costs are around $860 for a 10' x 12' space. The show has been in operation since 1956

Associations & Institutes: (Errata)

CALIFORNIA FILM EXTRUDERS AND CONVERTERS ASSOCIATION

c/o Poly Pak America,
2939 East Washington Blvd.,
Los Angeles, CA 90023. (213)264-2400
Dick Gurewitz, President.

Current membership in CFECA consists of 87 companies. The Association meets once a month. Canadian companies are invited to join and discuss marketing prospects with the members. The Association publishes a regular newsletter which can be used to publicize seminars, promotions etc.

APPENDIX "H"

Foreign Trade Zones:

FOREIGN TRADE ZONE # 50

Cal Cottage Enterprises,
1500 West Dominguez Street,
Long Beach, CA 90810. (213)547-4055

Some small manufacturing industry and storage.

FOREIGN TRADE ZONE # 3

Pier 23,
San Francisco, CA 94111. (415)391-0176

Mainly storage use, at the dockside

APPENDIX "H"

FOREIGN TRADE ZONE # 18

535 Brennan,
San Jose, CA 95131. (408)263-6200

Mainly storage use at present.

FOREIGN TRADE ZONE # 56

633 Hegenberger Road,
Oakland, CA 94621. (415)273-3692

Manufacturing and storage. This is a new facility. Atari and several smaller computer companies crush silicone chips there. In addition there are several liquor and perfume companies located there.